


leg. Finance - House & Senate Finance Comte Files (1975-76) 359
LB 77, 78, 76, 79, 80




RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

SENATE

2/11/75

Mr. President:

Date 2/11/75

The Committee on FINANCE has had HB 77
spec. approp. University of Alaska

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Neal Kay Heidi Chace _____
Tom Bateman _____
John C. Stewart _____
W. J. ... _____

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

Neal Kay Chairman

Introduced: 1/27/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 77

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the
7 University of Alaska; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$452,400 and eight per cent a year interest on
11 that amount from July 10, 1974 to the date of payment is appropriated from
12 the general fund to the University of Alaska for the payment to Modern
13 Constructic , Inc., of court awarded "impact" damages arising from the
14 construction of Wood Center.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
16 10.070(c).

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SUMMARY OF INFORMATION RELATING TO
AWARD TO MODERN CONSTRUCTION CO. ON
WOOD CENTER BLDG., U OF A, FAIRBANKS CAMPUS

The Wood Center Building was designed by Alaska Architectural Co. during 1968-1970. The Building was bid in early 1970 and award of contract for the construction of the building was made to Modern Construction Company in March of 1970.

1. The Building was completed by Modern Construction Company in early 1972 and upon completion of the work Modern instituted an Arbitration proceeding against the U of A claiming \$1.2 million in extra costs for the impact of a) utilidor change order, b) a steel beam problem and c) other delays allegedly caused by the architect and the University. These issues were Arbitrated by an American Institute of Arbitration appointed panel during September of 1972. The University's attorney argued in the case of a) the utilidor change order that the contractor gave the University a price for this requested change and the University went ahead with the change on this basis and that had the University been aware that the contractor was going to make an impact claim against this change that the University would never have requested the change in the first instance. In the case of b) the architect and his engineer designed certain steel beams that had to be replaced. The University's attorney conceded some cost in the replacement of these beams and although the architect paid certain costs for their replacement, the contractor made claims to added costs for the effect this replacement had on his entire job.

Arbitrators awarded \$383,779 to Modern on October 10, 1972. The Arbitrators gave no breakdown as to which of three items of the claim accounted for what portion of the award.

2. University Attorney (Steve DeLasio) appealed the case to the Superior Court moving that Court vacate the Arbitrators' Award on the ground that Arbitrators exceeded their powers, that there was evidence of partiality and that they impaired the rights of U of A. This was heard on March 15, 1973 and the University's motion was denied.
3. The ruling of the Superior Court was appealed to the Alaska Supreme Court and filed on October 4, 1973. A petition for Rehearing asked that there be clarification of the Arbitrators' award and that the Arbitrators follow the contract in awarding damages.

The Supreme Court upheld the award to Modern on June 10, 1974. The University's Attorney filed for Rehearing. This was denied on June 24, 1974. However, the Supreme Court ordered the Superior Court to require the Arbitration panel to submit an accounting of the \$383,779 award. This accounting is attached.

4. This amount plus the accrual of interest and attorney's fees due Modern Construction up to July 1, 1974 is attached also.



AMERICAN ARBITRATION ASSOCIATION

PACIFIC BUILDING - 720 THIRD AVENUE • SUITE 909
SEATTLE, WASHINGTON 98104 (206) 622-6435

Neal Blacker

~~XXXXXXXXXXXXXXXXXXXX~~
REGIONAL DIRECTOR

Re: 75 10 0059 72
Modern Construction, Inc.
-and-
University of Alaska

October 31, 1974

Bruce T. Rinker, Esq.
DeGarmo, Leedy, Oles & Morrison
3108 - 1001 4th Avenue
Seattle WA 98154

Stephen S. DeLisio, Esq.
Merdes, Schaible, Staley & DeLisio
700 "H" Street, Suite 8
Anchorage AK 99501

RECEIVED
NOV 6 1974
MERDES, SCHAIBLE,
STALEY & DELISIO

Gentlemen:

Arbitrator's compliance with Court Order, Cause number 72-968 in the Superior Court for the State of Alaska Fourth Judicial District, of Superior Court Judge Everett W. Hepp, dated October 3, 1974 and amended Order dated October 29, 1974.

1.

UTILIDOR IMPACT EXPENSES

Direct Field Labor	\$ 257,802.00
Metal Siding, Insulation and Furring	18,600.00
Extra Concrete protection	9,102.00
Extended Time - Concrete Equipment	32,681.00
Extra Form Materials and Rentals	denied
Concrete Aggregate Source Loss	3,054.00
Extra Snow Removal	424.00
Temporary Enclosure	900.00
Heat Loss, Temporary Enclosure	6,946.00
Extra paver Sawing Expense	1,423.00
Cold Weather Concrete Mix Loss	denied
Extra Cement for Early Cure	5,929.00
Painting Mall Precast	2,500.00
Heating Aggregate	6,338.00
Small Tools Increase	denied
	<u>\$ 345,699.00</u>

BEAM FAILURE AND FINISH IMPACT EXPENSE

Direct Field Labor	denied
Extra Freight Expense	1,351.00
Lounge Clouds (price increase)	2,991.00
Extended Equipment Time	denied
Small Tools Increase	denied
Extra Telephone Expense	65.00
Doors pre-finished vs. Job-finished	1,128.00
	<u>\$ 5,535.00</u>

HEADQUARTERS: 140 WEST 51ST STREET, NEW YORK, N.Y. 10020

REGIONAL OFFICES IN: • BOSTON • CHARLOTTE • CHICAGO • CINCINNATI • CLEVELAND • DALLAS • DETROIT • HARTFORD • LOS ANGELES • MIAMI • MINNEAPOLIS
NEW BRUNSWICK, N. J. • NEW YORK • PHILADELPHIA • PHOENIX • PITTSBURGH • SAN DIEGO • SAN FRANCISCO • SEATTLE • SYRACUSE • WASHINGTON, D. C.



GENERAL IMPACT AND EXTENDED TIME OF PERFORMANCE

Project Management Allocation	\$	denied	
Project Supervision		denied	
Extended Utility Expense		3,359.00	
	\$	<u>3,359.00</u>	

SLAB ON GRADE REPAIR

Slab on Grade Repair	\$	8,643.00	
	\$	<u>8,643.00</u>	

SUBCONTRACTORS CLAIMS

		denied	
	TOTAL	<u>\$363,236.00</u>	\$363,236.00
<u>INTEREST ON RETAINAGE</u>		\$ 8,643.00	<u>8,643.00</u>
<u>CLAIM PREPARATION EXPENSE</u>		denied	
		<u>\$ 8,643.00</u>	\$371,879.00

BOND, TAXES, INSURANCE

		3.2%	<u>11,900.00</u>
			<u>\$383,779.00</u>

Overhead

		0%	<u>---</u>
	TOTAL AWARD		<u>\$383,779.00</u>

2. The administrative fees and expenses of the American Arbitration Association are to be paid by the University of Alaska as billed by the Tribunal Accounts Division of the American Arbitration Association.
3. The fees for the compensation for the Arbitrators shall be borne by the University of Alaska and paid as directed by the Tribunal Accounts Division of the American Arbitration Association.
4. This Award is in full settlement of all claims submitted to this Arbitration.

Clarence H. Campbell, Esq.
Clarence H. Campbell, Esq.

Robert L. Bloodworth
Robert L. Bloodworth

E. G. Wernentin
E. G. Wernentin

On this 31st day of Oct 1974, before me personally came and appeared Clarence H. Campbell, Esq., Robert L. Bloodworth, & E. G. Wernentin to me known and known to me to be the individuals described in and who executed the foregoing instrument and they acknowledged to me that they executed the same.

Robert L. Bloodworth
Notary Public for the State of Alaska

MODERN CONSTRUCTION, INC., vs. UNIVERSITY OF ALASKA

ACCOUNTING

(Per Judgment May 23, 1973)

Principal amount	\$383,779.00
Interest at 8% from Oct. 10, 1972, to July 10, 1974	<u>55,571.19</u>
	<u>\$439,350.19</u>
Costs	\$ 2,708.13
Interest at 6% from Jan. 1, 1973, to July 1, 1974	<u>243.75</u>
	<u>\$ 2,951.88</u>
Costs	\$ 2,597.05
Interest at 8% from May 23, 1973, to July 10, 1974	<u>235.12</u>
	<u>\$ 2,832.17</u>
Attorney fees	\$ 6,200.00
Interest at 8% from May 23, 1973, to July 10, 1974	<u>560.80</u>
	<u>\$ 6,760.30</u>

(Per Judgment Supreme Court July 1, 1974)

Appeal Costs and Attorney fees	474.00
Interest at 8% from July 1, 1974	<u> </u>
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TOTAL	\$452,369.04
Increase over original award	68,590.04

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1. The Building was completed by Modern Construction Company in early 1972 and upon completion of the work Modern instituted an Arbitration proceeding against the U of A claiming \$1.2 million in extra costs for the impact of a) utilidor change order, b) a steel beam problem and c) other delays allegedly caused by the architect and the University. These issues were Arbitrated by an American Institute of Arbitration appointed panel during September of 1972. The University's attorney argued in the case of a) the utilidor change order that the contractor gave the University a price for this requested change and the University went ahead with the change on this basis and that had the University been aware that the contractor was going to make an impact claim against this change that the University would never have requested the change in the first instance. In the case of b) the architect and his engineer designed certain steel beams that had to be replaced. The University's attorney conceded some cost in the replacement of these beams and although the architect paid certain costs for their replacement, the contractor made claims to added costs for the effect this replacement had on his entire job.

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The Supreme Court upheld the award to Modern on June 10, 1974. The University's Attorney filed for Rehearing. This was denied on June 24, 1974. However, the Supreme Court ordered the Superior Court to require the Arbitration panel to submit an accounting of the \$383,779 award. This accounting is attached.

4. This amount plus the accrual of interest and attorney's fees due Modern Construction up to July 1, 1974 is attached also.



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SEATTLE, WASHINGTON 98104 (206) 622-6435

Neal Blacker
~~XXXXXXXXXXXXXX~~
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-and-
University of Alaska

October 31, 1974

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Stephen S. DeLisio, Esq.
Merdes, Schaible, Staley & DeLisio
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-and-
University of Alaska

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Project Supervision		denied	
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	3.2%	11,900.00	
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Overhead

	0%	---	
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TOTAL AWARD

- The administrative fees and expenses of the American Arbitration Association are to be paid by the University of Alaska as billed by the Tribunal Accounts Division of the American Arbitration Association.
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Clarence H. Campbell, Esq.
Clarence H. Campbell, Esq.

Robert L. Bloodworth
Robert L. Bloodworth

E. G. Wernentin
E. G. Wernentin

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Notary Public for the State of Alaska

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(Per Judgment Supreme Court July 1, 1974)

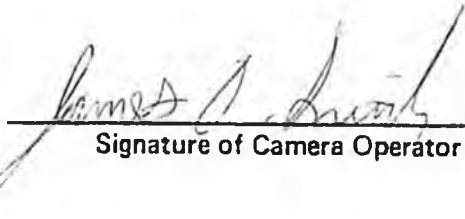
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Interest at 8% from July 1, 1974	<u> </u>
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TOTAL	\$452,369.04
Increase over original award	68,590.04



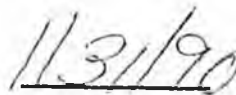
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Signature of Camera Operator



Date

COMMITTEE REPORT

4/27/75

HOUSE

Mr. Speaker:

Date 4/27/75

The Committee on FINANCE has had HB 70

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>		_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Introduced: 1/27/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 State-Operated School System; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$1,809,400 is appropriated from the general
11 fund to the State-Operated School System for the fiscal year ending June 30,
12 1975, to cover a shortfall in federal impact funds.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
14 10.070(c).

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HB 78

January 27, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making a supplemental appropriation to the State-Operated School System in the amount of \$1,809,400.

This request will increase the general fund appropriation and reduce the federal receipts because of a short fall in PL-874 revenues caused by declining enrollments in the military schools. The total reduction in federal receipts amounts to \$2,209,400. However, \$400,000 is being saved through cost reductions.

Sincerely,

Jay S. Hammond
Governor

COMMITTEE COPY

MEMORANDUM

State of Alaska

HB 78

TO: File

DATE: February 3, 1975

FILE NO:

TELEPHONE NO:

FROM: Richard Emerman, Budget Analyst
Division of Budget and Management
Department of Administration

SUBJECT: SOS Supplemental Appropriation

SOS has submitted the following computations in support of their FY 75 supplemental request:

P.L. 81-874 Appropriation	\$30,234,500
Current Revenue Estimate - P.L. 81-874	<u>28,025,108</u>
Estimated Shortfall in P.L. 81-874 Revenue	\$ 2,209,392
Estimated Cost Savings due to Enrollment declines	<u>\$ 400,000</u>
Net Deficit Applicable to SOS Operations	\$ 1,809,392

The \$400,000 in cost savings is comprised of the following:

Estimated 15 teacher positions	\$ 300,000
Decline in tuition payments due to anticipated declines in military student enrollments at borough schools	<u>\$ 75,000</u>
Miscellaneous variable costs	<u>\$ 25,000</u>
	\$ 400,000

The attached analysis indicates that the original 874 estimate was \$30,558,533, in contrast to the actual 874 appropriation of \$30,234,500. This discrepancy is due to the removal of Selawik from the SOS computation midway through the FY 75 budget process.

P.L. 81-874 funds are not identified with any specific program or operation within SOS - neither surpluses nor shortfalls in collection of 874 funds affect the scope of SOS activities. In other words, 874 funds have been treated simply as a General Fund offset in whatever amount they are received. In the case of higher than anticipated 874 revenues, the surplus funds would be deposited in the General Fund without increasing SOS expenditure authorization. Conversely, a shortfall does not automatically reduce spending requirements but means instead that less General Fund money will be supplanted by federal receipts than was initially projected. In this case, unexpected enrollment declines do result in some cost savings as well as a reduction in 874 reimbursement.

Most of the problem in enrollment declines has occurred in the on-base schools:

	<u>ADM estimate in FY 75 budget</u>	<u>1st Quarter enrollment</u>
Adak	666	680
Eielson	2,248	1,946
Elmendorf	1,886	1,758
Greeley	318	277
Richardson	1,452	1,355
Wainwright	902	928
	<u>7,472</u>	<u>6,944</u>

Alaska State-Operated School System
 PL 81-874 Supporting Computations
 FY 1975

	<u>Original FY 1975 Estimate (Form 22)</u>			<u>Revised FY 1975 Estimate</u>		
	"A"	"B"	Total	"A"	"B"	Total
Rural Schools	4,388.	1,612.	6,000.	3,954.	1,291.	5,245.
Military Schools	9,880.	1.	9,881.	6,503.	-0-	6,503.
District Schools (Tuition)	2,805.	221.	3,026.	3,357.	165.	3,522.
	17,073.	1,834.	18,907.	13,814.	1,456.	15,270.
Rate (cost per pupil)	\$1,698.64	\$1,698.64		\$1,958.27	\$1,958.27	
	\$29,000,880.72	\$3,115,305.76		\$27,055,685.98	\$2,851,241.12	
Collection Factor	100%	50%		100%	34% ?	
Estimated PL 81-874 Revenue	\$29,000,880.72	\$1,557,652.88	\$30,558,533.60	\$27,055,685.98	\$962,421.98	\$28,018,107.96

SUMMARY 11/11 - STATE OF ILLINOIS KURRI - 11/11/75

Region	Area	Category	Total
Region	Alton	A	71
	Fort York	F	78
	Anna's Island		-
	Northwest and Spring Street		647
	Glenallen	A	114
	Delta/Tok	F	192
	Southwestern		682
	Bittel		286
	Southwestern		49
	Upper half		180
	Indiana		410
	House York and McGrath		298
	Bittel - Special Education		13
Southwestern (Fort Alice - Correspondence)		5	
Total			2954
Category			1581
Total			6832

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Alaska State-Operated School System
 Estimated ADA - Students Attending Military Schools
 F: 11/15

	Military Base	ADA by Category			Total
		A	B	-OC	
1					
2	Adak	638	-0-	-0-	638
3					
4	Eielson	1,705	-0-	-0-	1,705
5					
6	Elmendorf	1,694	-0-	-0-	1,694
7					
8	Fort Greely	271	-0-	-0-	271
9					
10	Fort Richardson	1,284	-0-	-0-	1,284
11					
12	Fort Wainwright	828	-0-	-0-	828
13					
14	Eielson - Special Education	17	-0-	-0-	17
15					
16	Elmendorf - Special Education	66	-0-	-0-	66
17					
18		6,505	-0-	-0-	6,503
19					
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Estimated ADA - Students Attending District Schools
FY 1995

District	ADA by Category			Total
	A	B	-0-	
1 Anchorage	2,132	18	66	2,216
2 Bristol Bay	1	1	-0-	2
3 Cordova	17	6	32	55
4 Dillingham	133	20	14	167
5 Fairbanks	192	10	10	212
6 Galena	14	2	-0-	16
7 Haines	12	4	-0-	16
8 JUNEAU	-0-	-0-	2	2
9 KENAI	144	-0-	-0-	144
10 Ketchikan	10	2	2	14
11 Kodiak	517	5	3	525
12 Matanuska - Susitna	20	4	7	31
13 NENANA	16	34	12	62
14 NOME	102	9	10	121
15 PELLICCI	-0-	-0-	8	8
16 Petersburg	2	15	87	104
17 SITKA	1	1	1	3
18 Wrangell	8	25	165	198
19 Yakutat	36	9	24	69
20 Total Estimated ADA-FY 1995	3,357	165	443	3,965

1974-75 Data
 For Capital Cost for Current Expenditures
 Alaska State Operated School System

Statistics for 1972-73 school year

Schools outside incorporated districts and on-base
 Non-resident tuition to districts
 State aid to districts for non-resident pupils
 State aid to ASOS - Administration

\$33,053,922
 1,546,491
 4,175,388
 511,000
 \$39,292,901

ADA for schools outside incorporated districts
 ADA for on-base schools
 ADA for non-resident tuition pupils

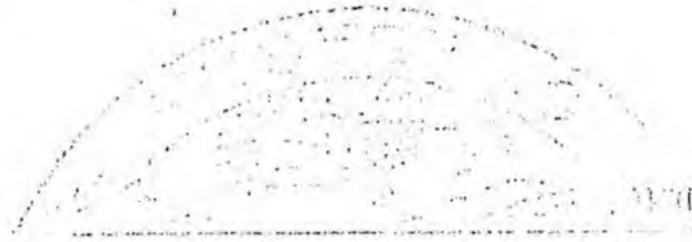
\$ 7,026
 9,357
 3,652
 -- 20,035

Total ADA

Cost per pupil in ADA - 1972-73 \$1,930.27

I hereby certify that the above information
 is correct and complete and verifiable from
 records in the Alaska Department of Education.

Richard H. Cole
 Deputy Commissioner of Education



COMMITTEE REPORT

5/14/75

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had HB 78 supplemental appropriation to the State-Operated School system under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
_____	_____	_____
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
_____	_____	_____
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
_____	_____	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>NO REC</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Introduced: 1/27/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 State-Operated School System; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$1,809,400 is appropriated from the general
11 fund to the State-Operated School System for the fiscal year ending June 30,
12 1975, to cover a shortfall in federal impact funds.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
14 10.070(c).

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Introduced: 1/27/75
Referred: Health, Education &
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Introduced: 1/27/75
Referred: Health, Education &
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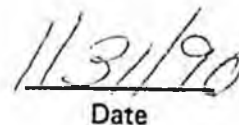
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

"An Act making a supplemental appropriation to the University of Alaska for Fairbanks campus security; and providing for an effective date."

1/27/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date Feb 10, 1975

The Committee on HESS has had HB 79

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Susan Sullivan</u>	<u>Kathryn Ostrinsky</u>	_____
<u>Louanna Thomas</u>	<u>Charles Ham</u>	_____
<u>Nancy Harkness</u>	<u>Lynlie E. Swanson</u>	_____
<u>Alvin Osterback</u>	<u>Helen Berg</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Susan Sullivan Chairman

"An Act making a supplemental appropriation to the University of Alaska for Fairbanks campus security; and providing for an effective date."

COMMITTEE REPORT

2/11/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 79

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

7. Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
FY 75 Supplemental Request	2,169.7	GF	
Professional Employees Area Salary Differential	(1,521.0)	GF	
Safety and security Upgrading Security Patrol	(70.0)	GF	
Additional Fire Protection	(99.8)	GF	
Recommendation	<u>478.9</u>	GF	Includes 452.4 (plus interest) for court award to Modern Construction and 26.5 for State Trooper on Fairbanks Campus.

BRU University of Alaska BRIJ CODE FY 75 Supplementals REVISED _____

November 6, 1974

The Honorable William A. Egan
Governor of the State of Alaska
Palace A
Juneau, AK 99801

Dear Governor Egan:

At the September 23 meeting of the Board of Regents, I was instructed to request your support for the following supplementary appropriations to be presented to the first session of the Ninety-first Legislature.

1. Through the concerted efforts of the State administration and the Legislature, the Fairbanks campus of the University was able to obtain a student activity center. A building was designed and later constructed by Modern Construction, Inc.

As a result of certain additional expenses incurred during the course of construction, Modern Construction may file an "in rem" claim against the University. This claim was finally received by the State Supreme Court and an award was made amounting to \$452,309.05 as of July 10, 1974, with interest of 3% continuing. (See Attachment 1 for further details.)

The University does neither the funds to pay this award of the courts or an authorization to spend funds for the settlement of this claim. Therefore, we request your assistance to help us obtain an appropriation to permit settlement of the claim.

2. For several years the Board of Regents have authorized a salary schedule that provided for an area cost of living differential for the classified staff of the University. This schedule was identical to that provided to other State employees. In May 1974, the Board adopted a new salary schedule that provided for a smaller area differential for the remainder of its employees.

Chapter 47, C.A.A.P.S., relating to compensation of State employees, extends to the professional employees of the University pay increments comparable to the

lvv:cb

Robert W. Mann
President

Sincerely,

Please let us know if you desire additional information.

to plan for.

We acknowledge that our extraordinary requests are great, and I regret to make this request of you because you have done a fine job in support of the University during my tenure here. However, I fear, of necessity, that you of these additional requirements of funds for the current fiscal year which are urgent and were impossible to plan for.

details, please see Attachment 3.)

Your assistance in obtaining a supplementary appropriation in the amount of \$156,750 for the current fiscal year and continuation funding in future years would be greatly appreciated by all the students and employees of the Fairbanks campus, plus the property owners in our fire protection area. (For further

figures:

- b. Protection of property. Includes additional professional fireman and year-round coverage by the student fire-figures.
- a. Protection of people. Includes a state trooper on campus, additional security guard supervisors, a security investment, and support items.

point of existing immediate correction. These are: of the area have been of concern for several years and have now reached the under the direction of Mr. Underwood, has identified two areas of need. Both and property on the Fairbanks campus. Our Safety and Security Department, to provide adequate safety, security and the support programs for persons

3. The University is studying against two law suits that charge it with failure

9 of Chapter 47, Laws of Alaska 1974. (See Attachment 2.)

We solicit your help in obtaining a supplementary appropriation in the amount of \$1,521,000 to correct the pay rate differential to the professional staff of the University in accordance with the rat of AS39.27.679 and Sections 3 and

pay received by classified and partially exempt employees of the state. However, there was no money provision in the appropriation to fund the pay step.

SUMMARY OF INFORMATION RELATING TO
ARBITRATION AWARD ON WOOD CENTER BLDG.

1. Arbitration occurred during September 1972 in which Modern Construction claimed \$1.2 million for an impact on their construction because of:
 1. Utility Change Order
 2. Beam Failure
 3. Delay in Color Decisions

Arbitrators awarded \$532,779 to Modern on October 10, 1972. The Arbitrators gave no breakdown as to which of three items of the claim accounted for most portion of the award.

2. University Attorney (Steve DeLisio) appealed the case to the Superior Court moving that Court vacate the Arbitrators' Award on the ground that Arbitrators exceeded their powers, that there was evidence of partiality and that they impaired the rights of U of A. This was heard on March 15, 1973 and the University's motion was denied.
3. The ruling of the Superior Court was appealed to the Alaska Supreme Court and filed on October 4, 1973. A petition for Rehearing asked that there be clarification of the Arbitrators' award and that the Arbitrators follow the contract in awarding damages.

The Supreme Court upheld the award to Modern on June 10, 1974. The University's Attorney filed for Rehearing. This was denied on June 24, 1974.

4. The accounting on the total funds needed to pay the award to Modern and other expenses is attached.

HODGES CONSTRUCTION, INC., vs. UNIVERSITY OF ALASKA

ACCOUNTING

(Per Judgment May 23, 1973)

Principal amount	\$383,779.00
Interest at 12% from Oct. 10, 1972, to July 10, 1974	<u>55,571.19</u>
	<u>\$439,350.19</u>
Costs	\$ 2,703.13
Interest at 6% from Jan. 1, 1973, to July 1, 1974	<u>243.75</u>
	<u>\$ 2,951.88</u>
Costs	\$ 2,597.05
Interest at 8% from May 23, 1973, to July 10, 1974	<u>235.12</u>
	<u>\$ 2,832.17</u>
Attorney fees	\$ 6,200.00
Interest at 8% from May 23, 1973, to July 10, 1974	<u>560.80</u>
	<u>\$ 6,760.80</u>

(Per Judgment Supreme Court July 1, 1974)

Appeal Costs and Attorney fees	474.00
Interest at 8% from July 1, 1974	<u> </u>
	<u> </u>
TOTAL	\$452,369.04
Increase over original award	68,590.04

REQUEST FOR SPECIAL APPROPRIATION
SAFETY AND SECURITY DEPARTMENTJUSTIFICATION:

The present conditions in the Safety and Security Department suggest that consideration be given for an emergency supplemental appropriation during FY-75. Two major areas of concern exist. Each of these will be discussed in detail with funding amounts identified.

1. Security: The campus presently is divided into patrol zones. Student security patrolmen cover the assigned areas on an after-hours basis beginning at 10:00 pm and ending at 5:00 am. During the day one professional who serves as Chief of the Security Patrol is on duty. His major task is coordinating the efforts of 22 student patrolmen, two full-time supervisors, as well as five radio clerk-dispatchers and clerical personnel. He reviews each incident report filed by patrolmen on duty, aids in necessary coordination with State Troopers, files reports, attends meetings, assists with traffic control and parking problems.

With nearly 1,200 housing residents on campus, nearly 3,000 vehicles registered, over 1,000 employees on campus daily in addition to approximately 3,000 students plus the increased number of buildings and expanding dollar volume of equipment, the need for security is evident. Present staff does not address the magnitude of this problem.

Evidence of this lack of security has been apparent over the past several months. A recap of incidents will aid in focusing on the need for an environment that is more "security" conscious.

- 1) Incident reports or violations reported has increased from 576 in 1970-71 to 783 in 1973-74. This is a 37% increase and does not address the unreported events.
- 2) A rape-murder occurred on campus in December of 1972.
- 3) An assault-rape occurred on campus in June of 1974.

UNIVERSITY OF ALASKA
REQUEST FOR SPECIAL APPROPRIATION
SAFETY AND SECURITY DEPARTMENT

I. Security (Cont'd.)

- 4) An assault-attempted rape occurred on campus in August of 1971.
- 5) Increases are noted in reported cases of Breaking and Entering-Burglary, Larceny, Narcotics, Vandalism, Trespass (potentially dangerous especially in dormitories), Hazardous Safety Conditions, and Misuse of University Property.

One of the changes in recent years that appears to have been a factor in the diminishing concern for the security environment has been the removal of a State Trooper from the campus. A second factor is the increased levels of crime being experienced state-wide due to increased economic activity.

- 1) Assign a state trooper to the campus.

Contracted price per State Troopers is estimated on ,
attached memo. \$36,000

- 2) Upgrade Security Patrol supervisors from 2.00 FTE to 5.3 FTE to allow for 24 hour, 7 day per week coverage as back-up for student security patrol. Grade 13 @ \$13,356 x 3.3 FTE plus 17% benefits 51,600

- 3) Add a security investigator to staff. Salary plus benefits. 21,000

- 4) Support services - desks, chairs, vehicles, files, radio, etc. 20,000

TOTAL \$128,600

NOTE:

The amount requested is on a full fiscal year funding basis. Since October 1 is the earliest possible date to implement any portion of the program, the actual maximum FY-75 budget required would be 9/12 of \$128,600 or \$96,500. Each month of delay would reduce the cost by \$10,700.

TROOPER BUDGETA. Personnel Services:

Trooper Salary	$\$1,415/\text{mo} \times 12 \text{ mo} =$	\$17,340
Overtime	$26 \text{ hrs}/\text{mo} \times \$8.80/\text{hr} \times 12 \text{ mo} =$	2,775
Shift differential	$.68 \times 2000 \text{ hrs} =$	1,360
Standby duty	$25 \text{ days} \times \$6.60/\text{day} =$	<u>165</u>
		\$21,640
Benefits @ 15% of \$21,640 =		<u>3,295</u>

\$ 25,535

B. Contractual:

Insurance

100

C. Travel:

Minimum mileage per Department of Public Works =	\$ 1,920
30 miles/day \times 5 days \times 50 weeks @ 19¢ =	<u>1,425</u>

3,345

D. Commodities:

Uniforms - Complete Issue

500

E. Equipment:

One time charge for vehicle completely equipped

6,500

TOTAL BUDGET

\$ 35,933

Introduced: 1/27/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 University of Alaska for Fairbanks campus security;
8 and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$26,500 is appropriated from the general fund
11 to the University of Alaska for the fiscal year ending June 30, 1975, for
12 the purpose of reimbursing the Department of Public Safety for the estab-
13 lishment of a trooper position at the Fairbanks campus.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
15 10.070(c).

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COMMITTEE COPY

HB 79

January 27, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making a supplemental appropriation to the University of Alaska for Fairbanks campus security in the amount of \$26,500. This amount will be used to reimburse the Department of Public Safety for the establishment of a trooper position at the Fairbanks campus.

Sincerely,

Jay S. Hammond
Governor

COMMITTEE COPY

ALASKA STATE LEGISLATURE

1975 Legislature 1st Regular Session

HOUSE BILL NO. 79

By RULES COMMITTEE BY REQUEST OF THE GOVERNOR

An Act making a supplemental appropriation to the University of Alaska for Fairbanks campus security; and providing for an effective date.

U of A Fairbanks/security

Introduced in the House ... 1/27/75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on												
Jan 27	Health, Education & Social Services and Finance Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												
CHIEF CLERK OF THE HOUSE													

HISTORY IN THE SENATE

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	<table border="0"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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	Reported correctly engrossed Signed by President Returned to House												
SECRETARY OF THE SENATE													

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
	Chapter No.

January 27, 1975

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making a supplemental appropriation to the University of Alaska for Fairbanks campus security in the amount of \$26,500. This amount will be used to reimburse the Department of Public Safety for the establishment of a trooper position at the Fairbanks campus.

Sincerely,

Jay S. Hammond
Governor

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Introduced: 1/27/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 University of Alaska for Fairbanks campus security;
8 and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$26,500 is appropriated from the general fund
11 to the University of Alaska for the fiscal year ending June 30, 1975, for
12 the purpose of reimbursing the Department of Public Safety for the estab-
13 lishment of a trooper position at the Fairbanks campus.

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.
15 10.070(c).

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7 Analysis of Governor's Decisions

HB 77 & 79

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
FY 75 Supplemental Request	2,169.7	GF	
Professional Employees Area Salary Differential	(1,521.0)	GF	
Safety and Security Upgrading Security Patrol	(70.0)	GF	
Additional Fire Protection	(99.8)	GF	
Recommendation	<u>478.9</u>	GF	Includes 452.4 (plus interest) for court award to Modern Construction and 26.5 for State Trooper on Fairbanks Campus.

BRU University of Alaska BRU CODE FY 75 Supplementals REVISED _____



November 6, 1974

The Honorable William A. Egan
Governor of the State of Alaska
Pouch A
Juneau, AK 99801

Dear Governor Egan:

At the September 25 meeting of the Board of Regents, I was instructed to request your support for the following supplementary appropriations to be presented to the first session of the Ninth State Legislature.

1. Through the great efforts of the State administration and the Legislature, the Fairbanks campus of the University was able to obtain a student activity center. A building was designed and later constructed by Modern Construction, Inc.

As a result of certain additional expenses incurred during the course of construction, Modern Construction saw fit to file an "impact" claim against the University. This claim was finally resolved by the State Supreme Court and an award was made amounting to \$452,369.04 as of July 10, 1974, with interest of 8% continuing. (See Attachment 1 for further details.)

The University has neither the funds to pay this award of the courts or an authorization to spend funds for the settlement of this claim. Therefore, we request your assistance to help us obtain an appropriation to permit settlement of the claim.

2. For several years the Board of Regents have authorized a salary schedule that provided for an area cost of living differential for the classified staff of the University. This schedule was identical to that provided to other State employees. In May 1974, the Regents adopted a new salary schedule that provided for a similar area differential for the remainder of its employees.

Chapter 47, SLA1974, relating to compensation for State employees, extends to the professional employees of the University pay increments comparable to the

November 6, 1974

pay received by classified and partially exempt employees of the State. However, there was no money provision in the appropriation to fund the pay step.

We solicit your help in obtaining a supplementary appropriation in the amount of \$1,521,000 to extend the pay step differential to the professional staff of the University in accordance with the intent of AS39.27.020 and Sections 3 and 4 of Chapter 47, Laws of Alaska 1974. (See Attachment 2.)

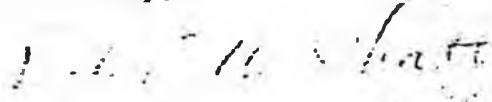
3. The University is defending against two law suits that charge it with failure to provide adequate safety, security and life support programs for persons and property on the Fairbanks campus. Our Safety and Security Department, under the direction of Mr. Underwood, has identified two areas of need. Both of the areas have been of concern for several years and have now reached the point of requiring immediate correction. These are:
 - a. Protection of people. Includes a state trooper on campus, additional security guard supervisors, a security investigator, and support items.
 - b. Protection of property. Includes additional professional firemen and year-around coverage by the student fire-fighters.

Your assistance in obtaining a supplementary appropriation in the amount of \$195,250 for the current fiscal year and continuation funding in future years would be greatly appreciated by all the students and employees of the Fairbanks campus, plus the property owners in our fire protection area. (For further details, please see Attachment 3.)

We acknowledge that our supplementary requests are great, and I regret to make this request of you because you have done a fine job in support of the University during my tenure here. However, I must, of necessity, inform you of these additional requirements of funds for the current fiscal year which are urgent and were impossible to plan for.

Please let us know if you desire additional information.

Sincerely,


Robert W. Hiatt
President

RWH:cb

Attachments - 3

SUMMARY OF INFORMATION RELATING TO
ARBITRATION AWARD ON WOOD CENTER BLDG.

1. Arbitration occurred during September 1972 in which Modern Construction claimed \$1.2 million for an impact on their construction because of:
 1. Utilidor Change Order
 2. Beam Failure
 3. Delay in Color Decisions

Arbitrators awarded \$633,779 to Modern on October 10, 1972. The Arbitrators gave no breakdown as to which of three items of the claim accounted for what portion of the award.

2. University Attorney (Steve DeLisio) appealed the case to the Superior Court moving that Court vacate the Arbitrators' Award on the ground that Arbitrators exceeded their powers, that there was evidence of partiality and that they impaired the rights of U of A. This was heard on March 15, 1973 and the University's motion was denied.

3. The ruling of the Superior Court was appealed to the Alaska Supreme Court and filed on October 4, 1973. A petition for Rehearing asked that there be clarification of the Arbitrators' award and that the Arbitrators follow the contract in awarding damages.

The Supreme Court upheld the award to Modern on June 10, 1974. The University's Attorney filed for Rehearing. This was denied on June 24, 1974.

4. The accounting on the total funds needed to pay the award to Modern and other expenses is attached.

ROBERT CONSTRUCTION, INC., vs. UNIVERSITY OF ALASKA

ACCOUNTING

(Per Judgment May 23, 1973)

Principal amount	\$383,779.00
Interest at 8% from Oct. 10, 1972, to July 10, 1974	<u>55,571.19</u>
	<u>\$439,350.19</u>
Costs	\$ 2,708.13
Interest at 6% from Jan. 1, 1973, to July 1, 1974	<u>243.75</u>
	<u>\$ 2,951.88</u>
Costs	\$ 2,597.05
Interest at 8% from May 23, 1973, to July 10, 1974	<u>235.12</u>
	<u>\$ 2,832.17</u>
Attorney fees	\$ 6,200.00
Interest at 8% from May 23, 1973, to July 10, 1974	<u>560.80</u>
	<u>\$ 6,760.80</u>

(Per Judgment Supreme Court July 1, 1974)

Appeal Costs and Attorney fees	474.00
Interest at 3% from July 1, 1974	<u> </u>
	<u> </u>
TOTAL	\$452,369.04
Increase over original award	68,590.04

REQUEST FOR SPECIAL APPROPRIATION
SAFETY AND SECURITY DEPARTMENT

JUSTIFICATION:

The present conditions in the Safety and Security Department suggest that consideration be given for an emergency supplemental appropriation during FY-75. Two major areas of concern exist. Each of these will be discussed in detail with funding amounts identified.

- I. Security: The campus presently is divided into patrol zones. Student security patrolmen cover the assigned areas on an after-hours basis beginning at 10:00 pm and ending at 6:00 am. During the day one professional who serves as Chief of the Security Patrol is on duty. His major task is coordinating the efforts of 22 student patrolmen, two full-time supervisors, as well as five radio clerk-dispatchers and clerical personnel. He reviews each incident report filed by patrolmen on duty, aids in necessary coordination with State Troopers, files reports, attends meetings, assists with traffic control and parking problems.

With nearly 1,200 housing residents on campus, nearly 3,000 vehicles registered, over 1,000 employees on campus daily in addition to approximately 3,000 students plus the increased number of buildings and expanding dollar volume of equipment, the need for security is evident. Present staff does not address the magnitude of this problem.

Evidence of this lack of security has been apparent over the past several months. A recap of incidents will aid in focusing on the need for an environment that is more "security" conscious.

- 1) Incident reports or violations reported has increased from 576 in 1970-71 to 788 in 1973-74. This is a 37% increase and does not address the unreported events.
- 2) A rape-murder occurred on campus in December of 1972.
- 3) An assault-rape occurred on campus in June of 1974.

REQUEST FOR SPECIAL APPROPRIATION
SAFETY AND SECURITY DEPARTMENT

I. Security (Cont'd.)

- 4) An assault-attempted rape occurred on campus in August of 1971.
- 5) Increases are noted in reported cases of Breaking and Entering-Burglary, Larceny, Narcotics, Vandalism, Trespass (potentially dangerous especially in dormitories), Hazardous Safety Conditions, and Misuse of University Property.

One of the changes in recent years that appears to have been a factor in the diminishing concern for the security environment has been the removal of a State Trooper from the campus. A second factor is the increased levels of crime being experienced state-wide due to increased economic activity.

- 1) Assign a state trooper to the campus.

Contracted price per State Troopers is estimated on . \$36,000
attached memo.

- 2) Upgrade Security Patrol supervisors from 2.00 FTE to 5.3 FTE to allow for 24 hour, 7 day per week coverage as back-up for student security patrol. Grade 13 @ \$13,356 x 3.3 FTE plus 17% benefits 51,600

- 3) Add a security investigator to staff. Salary plus benefits. 21,000

- 4) Support services - desks, chairs, vehicles, files, radio, etc. 20,000

TOTAL \$128,600

NOTE:

The amount requested is on a full fiscal year funding basis. Since October 1 is the earliest possible date to implement any portion of the program, the actual maximum FY-75 budget required would be 9/12 of \$128,600 or \$96,500. Each month of delay would reduce the cost by \$10,700.

TROOPER BUDGETA. Personnel Services:

Trooper Salary	$\$1,415/\text{mo} \times 12 \text{ mo} =$	\$17,340
Overtime	$26 \text{ hrs}/\text{mo} \times \$8.89/\text{hr} \times 12 \text{ mo} =$	2,775
Shift differential	$.68 \times 2000 \text{ hrs} =$	1,300
Standby duty	$25 \text{ days} \times \$6.60/\text{day} =$	<u>165</u>
		\$21,640
Benefits @ 18% of \$21,640 =		<u>3,895</u>

\$ 25,535

B. Contractual:

Insurance

100

C. Travel:

Minimum mileage per Department of Public Works =	\$ 1,920
30 miles/day x 5 days x 50 weeks @ 19¢ =	<u>1,425</u>

3,345

D. Commodities:

Uniform - Complete Issue

500

E. Equipment:

One time charge for vehicle completely equipped

6,500

TOTAL BUDGET

\$ 25,983