

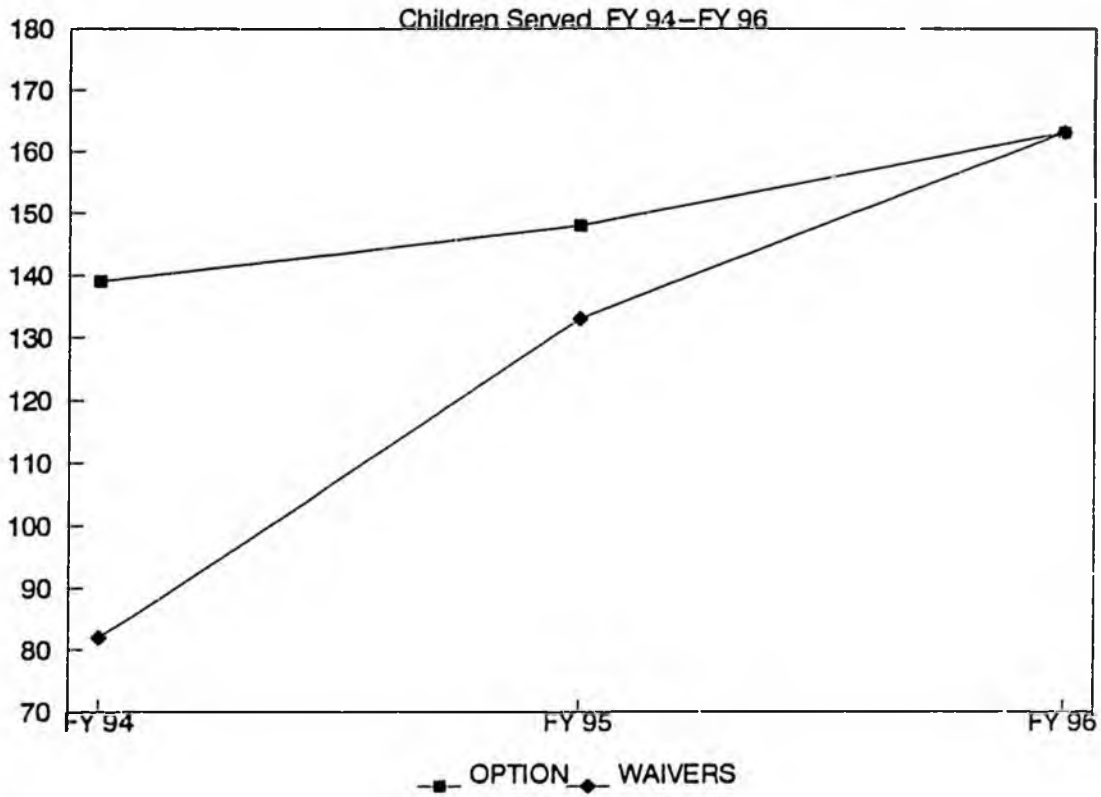
**ALASKA LEGISLATURE** 1096

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994**

170

ANALYSIS (cont.):

### WAIVERS AND OPTIONS



# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

No. 3  
Bill Version: SSSB 5  
(S) Publish Date: 3-25-93

Revision Date: 3/19/93 Dept. Affected: Health and Social Services  
Title: An Act relating to Medicaid eligibility of persons eligible to be institutionalized ... BRU: Medical Assistance  
Sponsor: Ellis, Salo, Lincoln, Duncan Component: Medicaid Facilities  
Requestor: Senate HESS Committee COMPONENT SERIAL NO. 230

**Expenditures/Revenues:**

OPERATING	(Thousands of Dollars)					
	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	499.6	296.6	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>499.6</b>	<b>296.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

	(Thousands of Dollars)					
1002 Federal Receipts	249.8	148.3	0.0	0.0	0.0	0.0
1003 GF Match	249.8	148.3	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>499.6</b>	<b>296.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	0		
PART-TIME	0		
TEMPORARY	0		

date 3/25/93 Comte Aide (initial) hh  
Changes in SSSB 5 (HES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
date 3/25/93 Comte Aide (initial) hh

Estimate of current year (FY93) impact: 0.0

**ANALYSIS:** (Attach a separate page if necessary)  
The fiscal impact of this bill results from adding new Medicaid recipients. Cost calculations are shown on attached page. Cost per recipient and number of new recipients are taken from home and community-based services waiver applications and supporting documents.  
  
The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. Some of the cost impact of SB 5 would be increased if that amendment is not fully funded.  
  
The Department has limited experience identifying children living in the community who need an institutional level of care. Any variance with the predicted number of those eligible will impact costs.

Prepared by: Kimberly B. Busch  
Division: Division of Medical Assistance

Phone: 465-3355  
Date: 03/22/93

Approved by Commissioner: Theodore A. Mala, M.D., MPH  
Agency: Department of Health & Social Services

Date: 3/23/93

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**ANALYSIS (cont.):****Cost Estimate (thousands of dollars)****FY 94:**

FY 94 Medicaid service costs per recipient needing hospital or nursing facility level of care:	\$102.2
Number of new recipients, not on waivers, in FY 94 needing hospital or NF level of care:	21
Percent of time in FY 94 recipients are covered in FY 94	50%
Total FY 94 cost of Medicaid services for new recipients needing hospital or nursing facility level of care:	
$\$102.2 \times 21 \times 50\% =$	<u>\$1,073.1</u>

FY 94 Medicaid service costs per recipient needing ICF/MR level of care:	\$32.9
Number of new recipients, not on waivers, in FY 94 needing ICF/MR level of care:	36
Percent of time in FY 94 recipients are covered in FY 94	50%
Total FY 94 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$32.9 \times 36 \times 50\% =$	<u>\$592.2</u>

Total FY 94 cost of Medicaid services for all new recipients:	
$\$1,073.1 + \$592.2 =$	<u>\$1,665.3</u>

**Component Breakout:**

Medicaid Non-Facility (70 percent of total costs)	\$1,165.7
Medicaid Facility (30 percent of total costs)	\$499.6

**FY 95**

FY 95 Medicaid service costs per recipient needing hospital or nursing facility level of care:	\$111.1
Number of new recipients, not on waivers, in FY 95 needing hospital or NF level of care:	6
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing hospital or nursing facility level of care:	
$\$111.1 \times 6 \times 100\% =$	<u>\$666.6</u>

FY 95 Medicaid service costs per recipient needing ICF/MR level of care:	\$35.8
Number of new recipients, not on waivers, in FY 95 needing ICF/MR level of care:	9
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$35.8 \times 9 \times 100\% =$	<u>\$322.2</u>

Total FY 95 cost of Medicaid services for all new recipients:	
$\$666.6 + \$322.2 =$	<u>\$988.8</u>

**Component Breakout:**

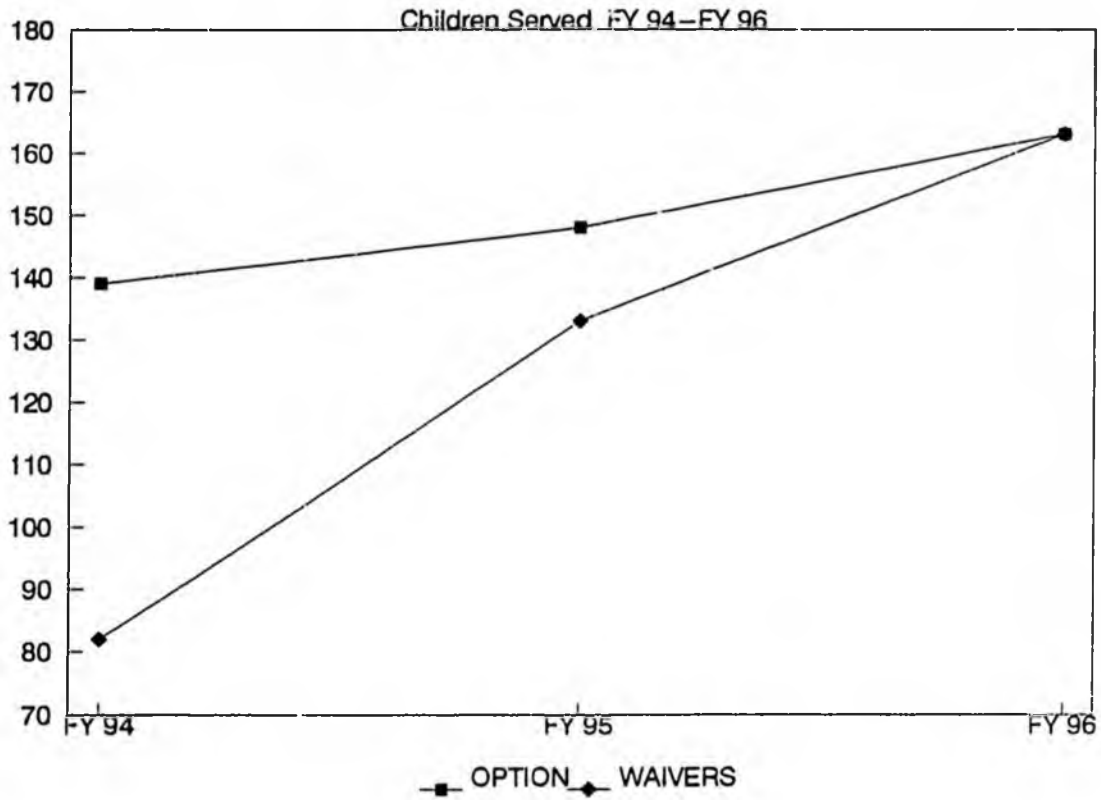
Medicaid Non-Facility (70 percent of total costs)	\$692.2
Medicaid Facility (30 percent of total costs)	\$296.6

**FY 96 – FY 99:**

It is assumed that all new eligibles covered under this bill in FY 96 or after would receive coverage under waivers if this bill did not pass.

ANALYSIS (cont.):

### WAIVERS AND OPTIONS



Position Title <b>Eligibility Technician II</b>		No. of Positions <b>1</b>	Range/Step <b>14B</b>	Bargaining Unit <b>GGU</b>
Time Status PFT	Staff Months <b>12.0</b>	Location <b>Anchorage</b>		Election District <b>House 15</b>
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		<b>32.8</b>		
Benefits		<b>14.0</b>		
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>46.8</b>		
Travel				
Contractual		<b>5.0</b>		
Commodities		<b>0.5</b>		
Equipment		<b>3.5</b>		
Other				
<b>Total Cost</b>		<b>55.8</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts	<b>27.9</b>		
1003	GF Match	<b>27.9</b>		
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts			
1061	CIP Receipts			
Other				
<p>Justification</p> <p>Sponsor Substitute for Senate Bill No. 5 expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under SSSB 5 and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.</p> <p>Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (270)

**FY94**

Page 1 of 1  
 Revised Date:

FISCAL NOTE

No. 2

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill Version: SSSB 5  
(S) Publish Date: 3-25-93

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: An Act relating to Medicaid eligibility BRU: Public Assistance Administration  
Component: Eligibility Determination  
Sponsor: Ellis  
Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 270

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	46.8	48.2	49.7	51.1	52.7	54.3
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	3.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>55.8</b>	<b>53.7</b>	<b>55.2</b>	<b>56.6</b>	<b>58.2</b>	<b>59.8</b>

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	27.9	26.8	27.6	28.3	29.1	29.9
1003 GF Match	27.9	26.9	27.6	28.3	29.1	29.9
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>55.8</b>	<b>53.7</b>	<b>55.2</b>	<b>56.6</b>	<b>58.2</b>	<b>59.8</b>

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY						

Estimate of current year (FY93) impact:

Changes in SSSB5 (HES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

3/25/93 bh

ANALYSIS: (Attach a separate page if necessary)

SSSB5 expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under SSSB5 and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.

Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.

Prepared by: Jan L. Hansen, Director  
Division: Division of Public Assistance

Phone: 465-2680  
Date: 3/23/93

Approved by Commissioner: Theodore A. Mala, MD, MPH  
Agency: Department of Health & Social Services

Date: 3/23/93

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# FISCAL NOTE

No. 1

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

Bill Version: SSSB 5

(c) Publish Date: 3-25-93

Revision Date: 03/19/93 Dept. Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of persons eligible to be institutionalized ... BRU: Medical Assistance Administration  
 Sponsor: Ellis, Salo, Lincoln, Duncan Component: Claims Processing  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 243

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	25.1	9.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.1</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts	12.5	4.5	0.0	0.0	0.0	0.0
1003 GF Match	12.6	4.5	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>25.1</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

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

date 3/25/93 Comte Aide (initial) hds  
 Changes in SSSB 5 (HES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
 date 3/25/93 Comte Aide (initial) \_\_\_\_\_

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

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

The fiscal impact of this bill results from an increase in claims processing charges due to increasing new recipients. Cost calculations are shown on the attached page. In addition, FY 94 impact include one-time changes to the Medicaid Management Information System to add a new category of eligibility.

The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. Failure to fully fund this amendment would increase the cost of SB 5.

Prepared by: Kimberly B. Busch  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 03/22/93

Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Date: 3/23/93

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ANALYSIS (cont.):

Cost Estimate (thousands of dollars)

**FY 94:**

Number of new recipients in FY 94:	57
x claims processing charges per recipient	\$0.6
Percent of time in FY 94 recipients are covered	50%

FY 94 claims processing charges (57x\$0.6x50%) \$17.1

One-time MMIS modification costs \$8.0

Total FY 94 Claims Processing \$25.1

**FY 95:**

Number of new recipients in FY 95:	15
x claims processing charges per recipient	\$0.6

Total FY 95 Claims Processing (15 x \$0.6) \$9.0

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS SS SB 5 (HES)

Revision Date: 03/29/93 Dept. Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of persons eligible to be institutionalized ... BRU: Medical Assistance  
 Component: Medicaid Non-Facility  
 Sponsor: Ellis, Salo, Lincoln, Duncan  
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. 229

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,165.7	692.2	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,165.7</b>	<b>692.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE FUND SOURCE						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	582.8	346.1	0.0	0.0	0.0	0.0
1003 GF Match	582.9	346.1	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>1,165.7</b>	<b>692.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: 0.0

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

The fiscal impact of this bill results from adding new Medicaid recipients. Cost calculations are shown on attached page. Cost per recipient and number of new recipients are taken from home and community-based services waiver applications and supporting documents.

The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. The cost of serving new eligibles who would also be covered under a waiver is not included in this fiscal note. Some of the cost impact of SB 5 would be increased if that amendment is not fully funded.

The Department has limited experience identifying children living in the community who need an institutional level of care. Any variance with the predicted number of those eligible will impact costs.

Prepared by: Kimberly B. Busch  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 04/02/93

Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Date: 4/6/93

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**ANALYSIS (cont.):****Cost Estimate (thousands of dollars)****FY 94:**

FY 94 Medicaid service costs per recipient needing hospital or nursing facility level of care:	\$ 102.2
Number of new recipients, not on waivers, in FY 94 needing hospital or NF level of care:	21
Percent of time in FY 94 recipients are covered in FY 94	50%
Total FY 94 cost of Medicaid services for new recipients needing hospital or nursing facility level of care:	
$\$102.2 \times 21 \times 50\% =$	<u>\$1,073.1</u>

FY 94 Medicaid service costs per recipient needing ICF/MR level of care:	\$32.9
Number of new recipients, not on waivers, in FY 94 needing ICF/MR level of care:	36
Percent of time in FY 94 recipients are covered in FY 94	50%
Total FY 94 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$32.9 \times 36 \times 50\% =$	<u>\$592.2</u>

Total FY 94 cost of Medicaid services for all new recipients:	
$\$1,073.1 + \$592.2 =$	<u>\$1,665.3</u>

**Component Breakout:**

Medicaid Non-Facility (70 percent of total costs)	\$1,165.7
Medicaid Facility (30 percent of total costs)	\$499.6

**FY 95**

FY 95 Medicaid service costs per recipient needing hospital or nursing facility level of care:	\$111.1
Number of new recipients, not on waivers, in FY 95 needing hospital or NF level of care:	6
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing hospital or nursing facility level of care:	
$\$111.1 \times 6 \times 100\% =$	<u>\$666.6</u>

FY 95 Medicaid service costs per recipient needing ICF/MR level of care:	\$35.8
Number of new recipients, not on waivers, in FY 95 needing ICF/MR level of care:	9
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$35.8 \times 9 \times 100\% =$	<u>\$322.2</u>

Total FY 95 cost of Medicaid services for all new recipients:	
$\$666.6 + \$322.2 =$	<u>\$988.8</u>

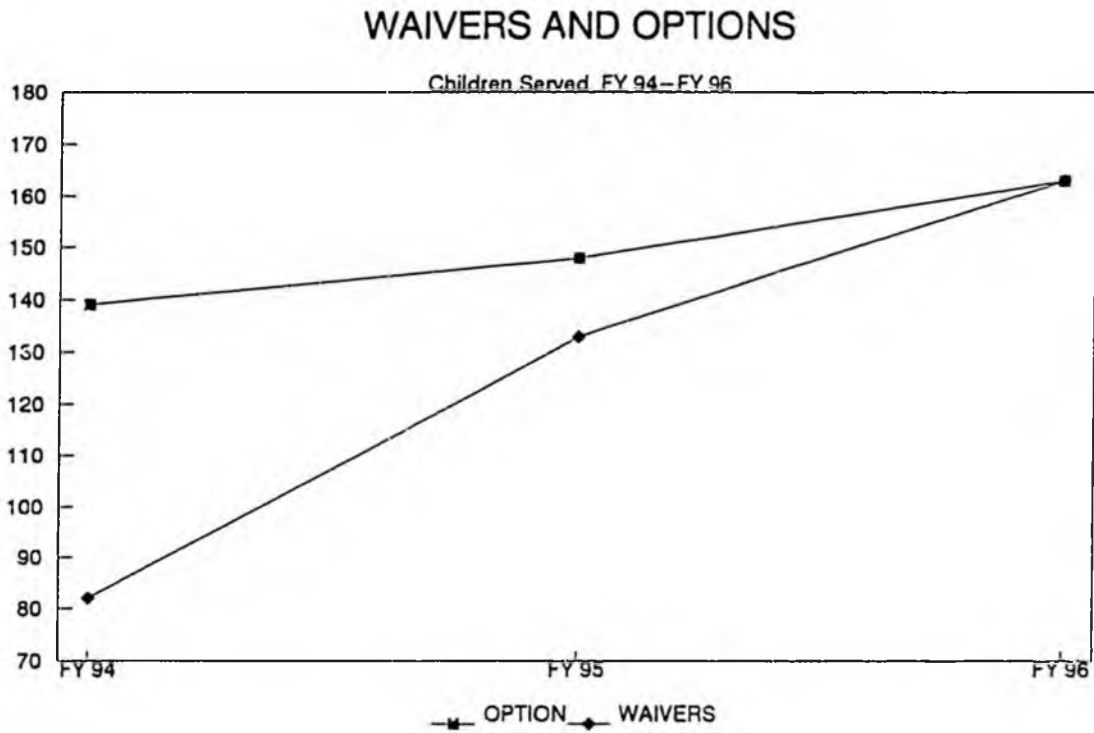
**Component Breakout:**

Medicaid Non-Facility (70 percent of total costs)	\$692.2
Medicaid Facility (30 percent of total costs)	\$296.6

**FY 96 – FY 99:**

It is assumed that all new eligibles covered under this bill in FY 96 or after would receive coverage under waivers if this bill did not pass.

ANALYSIS (cont.):



# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS SS SB 5 (HES)

Revision Date: 03/29/93 Dept. Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of persons eligible to be institutionalized ... BRU: Medical Assistance  
 Component: Medicaid Facilities  
 Sponsor: Ellis, Salo, Lincoln, Duncan  
 Requestor: Senate State Affairs Committeec COMPONENT SERIAL NO. 230

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	499.6	296.6	0.0	0.0	0.0	0.0
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>499.6</b>	<b>296.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE</b>						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	249.8	148.3	0.0	0.0	0.0	0.0
1003 GF Match	249.8	148.3	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>499.6</b>	<b>296.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: 0.0

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

The fiscal impact of this bill results from adding new Medicaid recipients. Cost calculations are shown on attached page. Cost per recipient and number of new recipients are taken from home and community-based services waiver applications and supporting documents.

The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. The cost of serving new eligibles who would also be covered under a waiver is not included in this fiscal note. Some of the cost impact of SB 5 would be increased if that amendment is not fully funded.

The Department has limited experience identifying children living in the community who need an institutional level of care. Any variance with the predicted number of those eligible will impact costs.

Prepared by: Kimberly B. Busch  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 04/02/93

Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Date: 4/6/93

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**ANALYSIS (cont.):****Cost Estimate (thousands of dollars)****FY 94:**

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Number of new recipients, not on waivers, in FY 94 needing hospital or NF level of care:	21
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FY 94 Medicaid service costs per recipient needing ICF/MR level of care:	\$32.9
Number of new recipients, not on waivers, in FY 94 needing ICF/MR level of care:	36
Percent of time in FY 94 recipients are covered in FY 94	50%
Total FY 94 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$32.9 \times 36 \times 50\% =$	<u>\$592.2</u>

Total FY 94 cost of Medicaid services for all new recipients:	
$\$1,073.1 + \$592.2 =$	<u>\$1,665.3</u>

**Component Breakout:**

Medicaid Non-Facility (70 percent of total costs)	\$1,165.7
Medicaid Facility (30 percent of total costs)	\$499.6

**FY 95**

FY 95 Medicaid service costs per recipient needing hospital or nursing facility level of care:	\$111.1
Number of new recipients, not on waivers, in FY 95 needing hospital or NF level of care:	6
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing hospital or nursing facility level of care:	
$\$111.1 \times 6 \times 100\% =$	<u>\$666.6</u>

FY 95 Medicaid service costs per recipient needing ICF/MR level of care:	\$35.8
Number of new recipients, not on waivers, in FY 95 needing ICF/MR level of care:	9
Percent of time in FY 95 recipients are covered in FY 95	100%
Total FY 95 cost of Medicaid services for new recipients needing ICF/MR level of care:	
$\$35.8 \times 9 \times 100\% =$	<u>\$322.2</u>

Total FY 95 cost of Medicaid services for all new recipients:	
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**Component Breakout:**

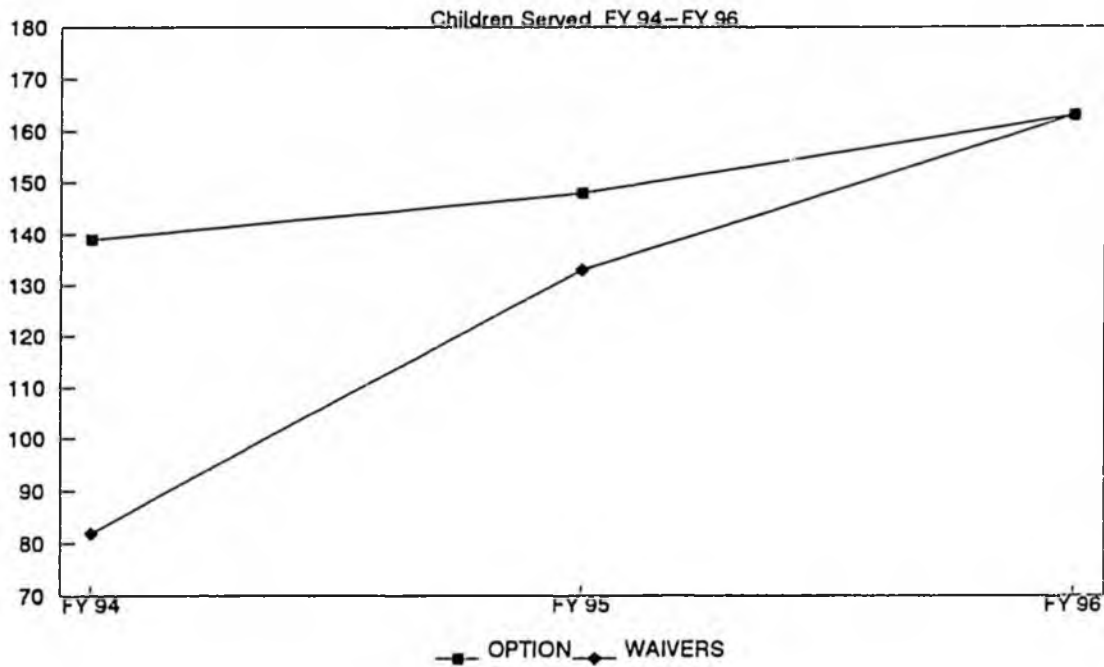
Medicaid Non-Facility (70 percent of total costs)	\$692.2
Medicaid Facility (30 percent of total costs)	\$296.6

**FY 96 - FY 99:**

It is assumed that all new eligibles covered under this bill in FY 96 or after would receive coverage under waivers if this bill did not pass.

ANALYSIS (cont.):

WAIVERS AND OPTIONS



FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSSSSB5(HES)

Revision Date: 03/29/93 Dept. Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility BRU: Public Assistance Administration  
 Component: Eligibility Determination  
 Sponsor: Ellis  
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 270

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	46.8	48.2	49.7	51.1	52.7	54.3
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	3.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>55.8</b>	<b>53.7</b>	<b>55.2</b>	<b>56.6</b>	<b>58.2</b>	<b>59.8</b>
<b>CAPITAL</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>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	27.9	26.8	27.6	28.3	29.1	29.9
1003 GF Match	27.9	26.9	27.6	28.3	29.1	29.9
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>55.8</b>	<b>53.7</b>	<b>55.2</b>	<b>56.6</b>	<b>58.2</b>	<b>59.8</b>

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

CSSSSB5 (HES) expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under CSSSSB5 (HES) and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.

Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Mala, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 4/2/93  
 Date: 4/6/93

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Position Title Eligibility Technician II		No. of Positions   Range/Step 1   14B	Bargaining Unit GGU
Time Status PFT	Staff Months 12.0	Location Anchorage	Election District House 15
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>	
Salary		32.8	
Benefits		14.0	
Premium Pay			
Other			
<b>Total Personal Services</b>		<b>46.8</b>	
Travel			
Contractual		5.0	
Commodities		0.5	
Equipment		3.5	
Other			
<b>Total Cost</b>		<b>55.8</b>	
<b>FUNDING SOURCE for TOTAL COST</b>			
1002	Federal Receipts	27.9	
1003	GF Match	27.9	
1004	General Fund		
1005	GF/Program Receipts		
1006	GF/Mental Health Trust		
1007	I/A Receipts		
1061	CIP Receipts		
Other			
<p>Justification</p> <p>CSSSSBS (HES) expands Medicaid eligibility to cover severely disabled children in home and community-based care. The Division of Medical Assistance estimates that 139 disabled children who do not currently receive Medicaid would become eligible in FY94 under CSSSSB 5 (HES) and the Governor's amended budget. This caseload would grow to 148 in FY95 and 163 in FY96.</p> <p>Additional public assistance field eligibility staff would be required to process applications and maintain Medicaid cases for these additional clients. One additional Eligibility Technician I/II would be necessary to cover the increased caseload.</p>			

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: Public Assistance Administration  
 COMPONENT: Eligibility Determination (270)

Page 1 of 1

Revised Date:

**FY94**

# FISCAL NOTE

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

**BILL NO. CS SS SB 5 (HES)**

Revision Date: 03/29/93 Dept. Affected: Health and Social Services  
 Title: An Act relating to Medicaid eligibility of persons eligible to be institutionalized ... BRU: Medical Assistance Administration  
 Component: Claims Processing  
 Sponsor: Ellis, Salo, Lincoln, Duncan  
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 243

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	25.1	9.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.1</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE</b>						

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	12.5	4.5	0.0	0.0	0.0	0.0
1003 GF Match	12.6	4.5	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>25.1</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: 0.0

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

The fiscal impact of this bill results from an increase in claims processing charges due to increasing new recipients. Cost calculations are shown on the attached page. In addition, FY 94 impact include one-time changes to the Medicaid Management Information System to add a new category of eligibility.

The Department of Health and Social Services has submitted a budget amendment for Medicaid home and community-based service waivers. Failure to fully fund this amendment would increase the cost of SB 5.

Prepared by: Kimberly B. Busch  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 04/02/93

Approved by Commissioner: Theodore A. Mafa, MD, MPH  
 Agency: Department of Health & Social Services

Date: 4/6/93

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**ANALYSIS (cont.):**Cost Estimate (thousands of dollars)**FY 94:**

Number of new recipients in FY 94:	57
x claims processing charges per recipient	\$0.6
Percent of time in FY 94 recipients are covered	50%

FY 94 claims processing charges (57x\$0.6x50%)	<u>\$17.1</u>
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One-time MMIS modification costs	\$8.0
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Total FY 94 Claims Processing	<u>\$25.1</u>
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**FY 95:**

Number of new recipients in FY 95:	15
x claims processing charges per recipient	\$0.6

Total FY 95 Claims Processing (15 x \$0.6)	<u>\$9.0</u>
--	--------------

**SB**

**7**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: May 10, 1993

FURTHER REFERRALS:

Date of Committee Action: 5/10/93

The FINANCE Committee considered:

CSSB 7(FIN) am(reengrossed)

CS FOR SENATE BILL NO. 7(FIN) am(reengrossed)

SCHOOL DEBT REIMBURSEMENT

"An Act relating to school construction grants and major maintenance grants to school districts; providing for school district participation in the cost of school construction and major maintenance; creating a major

TITLE CONTINUED ON PAGE 2.

**RECOMMENDATIONS:**

be replaced with \_\_\_\_\_ [ ] the same title

[ ] a new title

[ ] have attached amendments(s)

do pass

[ ] do not pass

[ ] no recommendations

[ ] individual recommendations

[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

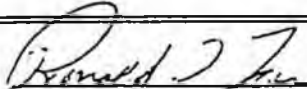
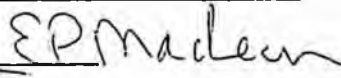
fiscal impact DOE

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Maclean</i> <small>Maclean</small>	X	<i>Ben ...</i> <small>grussendorf</small>		X	
<i>Ronald J. ...</i> <small>lanson</small>	X	<i>Jim Hoff</i> <small>Hoffman</small>		✓	
<i>Mike ...</i> <small>Hanley</small>	X	<i>Mike ...</i> <small>Nabane</small>		NA	✓
<i>Ken ...</i> <small>Parry</small>	X	<i>Richard ...</i> <small>Foster</small>		X	
<i>Perry Martin</i> <small>Martin</small>	X				
<i>Jan ...</i> <small>Brown</small>	✓				
<i>Jan ...</i> <small>Thernant</small>	✓				

  
 (O CHAIRMAN'S SIGNATURE  
 LANSON  
  
 MACLEAN

5/09  
 Transition to CH

# FISCAL NOTE

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

BILL NO. CS SB7 (FIN) am (2nd)

Revision Date: May 8, 1993  
 Title: "An Act relating to school construction grants and major maintenance grants to school districts . . ."  
 Sponsor: Senator Kerttula, Little, Donley  
 Requestor: Senate Finance

Department Affected: Education  
 BRU: Executive Administration  
 Component: Op Overhead and Associated Costs

COMPONENT SERIAL NO. 157

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	158.8	158.8	158.8	158.8	158.8	158.8
TRAVEL	28.6	28.6	28.6	28.6	28.6	28.6
CONTRACTUAL	182.2	42.2	42.2	42.2	42.2	42.2
SUPPLIES	1.8	1.8	1.8	1.8	1.8	1.8
EQUIPMENT	27.0	7.0	7.0	7.0	7.0	7.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>398.4</b>	<b>238.4</b>	<b>238.4</b>	<b>238.4</b>	<b>238.4</b>	<b>238.4</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	398.4	238.4	238.4	238.4	238.4	238.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
	398.4	238.4	238.4	238.4	238.4	238.4

**POSITIONS:**

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary.)  
 (SEE ATTACHED)

Prepared by: Gary M. Bader *Mary M. Bader*

Phone: 465-2875

Division: Administrative Services

Date: 8 May 1993

Approved by Commissioner: *J. Covey*  
 Agency: Education

Jerry Covey

Date: 5-8-93

**FISCAL NOTE**  
**SB7**

" An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

This bill will enable municipal and REAA school districts throughout the state to construct school facilities for unhoused students and to correct safety hazards and building code violations in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. This bill would establish a committee to review the school construction and debt reimbursement program and make recommendations to the State Board of Education. Funds are provided in this fiscal note for the committee's activities.

It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden on the Facilities Section for administrative and professional services. It will require additional time at the administrative level in order to ensure compliance with regulations and fiscal accountability. The extremely technical matter of ensuring compliance with construction guidelines required by this bill will necessitate an architect on staff with the Department to perform a more technical review of all school construction plans in order to ensure they meet or exceed the minimum standards established by the Departments of Education and Transportation and Public Facilities. This technical review must also include an evaluation of all projects submitted to assure compliance with the applicable standards. The bill will require the promulgation of new regulations. Necessary review of project plans and on-site review to establish eligibility and compliance will increase travel requirements.

It is anticipated that participation by the Department of Law will also increase. Historically, this program has created a need for legal services related to interpretation of the statutes and regulation, project eligibility and the differences between grant and bond funding. In addition technical assistance will be required in the development of statewide educational specifications and standardization review. These funds are expected to be needed continually in order to update the standards as material and educational program needs evolve.

The Department of Education will contract with experts to develop criteria for construction of schools in the state.

**SB7**

Personal Services		158.8
Architect (21B)	72.5	
Project Assistant (16B)	52.8	
Clerk Typist III (8B)	33.5	
Travel		28.6
Administrative Travel for 9 person Review committee		
Air Fare for two meetings per year (2 x 700 x 9 = 12.6)	12.6	
Per Diem for 3 (3 x 95 x 9 = 2.6)	2.6	
Project Assistant Travel		
Air Fare for 15 site visits (15 x 700 = 10.5)	10.5	
Per Diem for 30 days (30 x 95 = 2.9)	2.9	
Contractual		182.2
Development of Regulations	13.5	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	7.5	
Phone lines 3 positions @ \$300/year	.9	
Technical expert to assist in the development and updating of school construction standards and development of educational specifications	150.0	
Substitute teacher for 3 days at \$100/day	.3	
Supplies		1.8
Supplies for 3 positions @ \$600 each		
Equipment		27.0
Office Furniture (desks, partitions, etc.)	9.0	
Computer Equipment (computer, monitor, software, network, et.)	18.0	
	FY 94 Total	398.4

## Letter of Intent

CSSB- 7 (FIN)

BY SENATE FINANCE COMMITTEE

It is the intent of the Legislature that municipalities and school districts receive debt reimbursement for school construction and major rehabilitation projects from the school construction grant fund. The Legislature does not intend the fund to be used for normal, preventative, or routine maintenance activities.

It is further the Legislature's intent that municipalities and school districts ensure the proper maintenance and upkeep of their schools and classroom facilities through use of operating funds appropriated annually through the foundation funding formula.

Adopted by Senate: 4/23/93 & 4/24/93

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS SB7 (FIN) AM

Revision Date: 27-Apr-93  
Title: An Act relating to grants for school construction reimbursement of school construction debt and school construction bonds issued by the Alaska Municipal Bond Bank Authority

Dept. Affected: EDUCATION  
BRU: Executive Administration  
Component: CIP Overhead and Associated Costs

Sponsor: Senator Kertula, Little, Donley  
Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 157

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	72.5	74.7	76.9	79.2	81.6	84.0
TRAVEL	68.9	68.9	68.9	68.9	68.9	68.9
CONTRACTUAL	73.3	73.3	73.3	73.3	73.3	73.3
SUPPLIES	1.1	1.1	1.1	1.1	1.1	1.1
EQUIPMENT	9.0	1.5	1.5	1.5	1.5	1.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>224.8</b>	<b>219.5</b>	<b>221.7</b>	<b>224.0</b>	<b>226.4</b>	<b>228.8</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1061 CIP Receipts	224.8	219.5	221.7	224.0	226.4	228.8
<b>TOTAL</b>	<b>224.8</b>	<b>219.5</b>	<b>221.7</b>	<b>224.0</b>	<b>226.4</b>	<b>228.8</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

(SEE ATTACHED)

Prepared by: Gary M. Bader  
Division: Administrative Services  
Approved by Commissioner: \_\_\_\_\_  
Agency: Department of Education

Phone: 465-2875  
Date: 27-Apr-93  
Date: 4/30/93

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FISCAL NOTE  
SB7

"An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

This bill will enable municipalities throughout the State to construct school facilities for unhoused students and to correct safety hazards and building code violations in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. This bill would establish a bond reimbursement and grant review committee to evaluate projects for the which reimbursement of school construction debt is requested and to establish the priorities for which school construction grants are requested. The committee would be composed of the Commissioner of Education or his designee and the following members:

1. a retired or active classroom teacher or school employee;
2. an engineer licensed under AS08.48 and licensed as a construction contractor under AS 08.18;
3. an architect in private practice licensed under AS 03.48;
4. an employee of the Department of Transportation and Public Facilities;
5. a nonvoting member with five years of experience in city or borough school district facilities management;
6. a nonvoting member with five years of experience in municipal facilities management;
7. a nonvoting member with five years of experience in regional education attendance area facilities management.

It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden of the Facilities Section in both clerical and administrative requirements. It is impossible to predict the State liability under SB7 in FY94.

This bill will require additional time in the administrative level in order to ensure compliance with the regulations and fiscal accountability. The extremely technical makeup of the review committee will necessitate an architect on staff with the Department to perform a more technical review of all school construction plans in order to ensure that they meet or exceed the minimum standards established by the Departments of Education and Transportation and Public Facilities. This technical review must also include an evaluation of all projects submitted to assure compliance with the applicable standard. The amendment to Sec.14.11.014(b) will require the promulgation of new regulations regarding evaluation to include such factors as education programs. Necessary review of project plans and on-site reviews to establish eligibility and compliance will increase travel requirements.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility and the discrepancy between full funding through the

grant program and partial funding through the debt retirement process. In addition technical assistance will be required in the development of statewide educational specifications and standardization review. These funds are expected to be needed continually in order to update the standards as materials and educational program needs evolve. Funds will be required for contractual services.

It is assumed that DOT/PF will provide the standard regional design specifications for schools in the arctic, interior, western, southcentral and southeastern regions of the State.

<b>Personal Services</b>		
Architect (21B)		72.5
	72.5	
<b>Travel</b>		
Administrative Travel for 7 person Review Committee		68.9
Air Fare of 10 site visits (10 x 700 x 7 = 49.0)	49.0	
Per Diem for 30 days (30 x 95 x 7 = 19.9)	19.9	
<b>Contractual</b>		73.3
Development of Regulations	7.5	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	2.5	
Phone lines 1 position @ \$300/year	.3	
Technical expert to assist in the development and updating of school construction standards and development of educational specifications	50.0	
Substitute teacher for 30 days at \$100/day	3.0	
<b>Supplies</b>		1.1
Supplies at \$150/year per member	1.1	
<b>Equipment</b>		9.0
Office Furniture (desks, partitions, etc.)	3.0	
Computer Equipment (Computer, token ring, etc.)	6.0	
	<b>FY94 Total</b>	<b>224.8</b>

S E C O N D

LETTER OF INTENT

OFFERED IN THE SENATE

BY SENATOR LITTLE

TO: CS FOR SENATE BILL 7 (FIN)

It is the intent of the Legislature that the development of standard regional guidelines for construction of schools in the state include the consideration and implementation to the extent possible of energy efficient design and construction standards.

Adopted by Senate: 4/23/93 4/24/93

**FISCAL NOTE**

Revision Date: 04/23/93 (Work Copy)  
Title: School Debt Reimbursement

Department Affected: DOT&PF  
BRU: E&OS

Sponsor: Kerttula, Little, Donley  
Requestor:

Component: D&C Standards  
Component Serial Number: 547

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

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	7.0	7.2	7.5	7.8	8.0	8.3
TRAVEL	3.0	3.1	3.2	3.3	3.4	3.6
CONTRACTUAL	0	0	0	0	0	0
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>10.0</b>	<b>10.3</b>	<b>10.7</b>	<b>11.1</b>	<b>11.4</b>	<b>11.9</b>

CAPITAL	1,641.0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	1,651.0	10.3	10.7	11.1	11.4	11.9
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>1,651.0</b>	<b>10.3</b>	<b>10.7</b>	<b>11.1</b>	<b>11.4</b>	<b>11.9</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 four page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 27, 1993

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

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 27, 1993

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ANALYSIS (cont. from page 1):

**Fiscal Note Analysis for CS SB 7 (FIN)**

**Fiscal Note Summary:**

The proposed legislation is anticipated to have the following impacts.

**Section 4 Impacts - FY 94 and 95** (Capital funds for design guidelines, specifications and review of prototypical school designs.)

Expenditures: Personal services, contractual and travel costs total \$1.64 MM. *It should be recognized that this amount equates to only three tenths of one percent of the entire construction amount (\$500,000,000) that could be obligated under this bill.*

Personnel: Depending on the extent of guidelines required and the magnitude of funding provided, additional CIP 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 \$10,000.

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 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 section 4 is fundamental to the other sections, the requirements of this section will have to be met before the full effect of the legislation will be apparent. Section 4 will require an extensive amount of time and effort (by both DOT&PF and the Department of Education) to complete the mandated guidelines 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 FY 94 portion of the fiscal note.

### **Analysis and Assumptions:**

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

- *Given past experience, and based upon the evaluating criteria presented under lines 14 through 24 on page 3, a substantial amount of preliminary review work will have to occur prior to the first meeting of the Review Committee. Presently, no fiscal impacts for these services are included in this document. However, (based upon previous fiscal notes) it is anticipated that, if the Department of Education desires the assistance of DOT&PF in these areas, a Reimbursable Services Agreement of approximately \$85,000 per year will be required.*
- *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 13 on page 1 of the proposed legislation, it is assumed that the terminology "guidelines" which appears on page 2 lines 13, 14, and 18 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 a wide variety of school specifications may have to be developed.*
- *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 guideline/specification 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.*
- *It is assumed that the grant review committee will meet only on an annual (or worst case semi-annual) basis to conduct the activities associated with the Section 5 grant review.*

### **Proposed Legislation Sections 1 through 3**

No departmental comment as a result of these sections.

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

As a preamble to this section, the department wishes to re-emphasize that the costs associated with the services described within this section of the analysis are very insignificant when compared to the total dollar value of the ensuing school construction costs. This amount, \$1.64 million, constitutes only 0.3% of the potential

\$500 million in total construction costs that could be allocated under the legislation. A very small amount when compared to the 7.3 % design costs <sup>1</sup> experienced on a local school project.

#### **Types of facilities under consideration:**

As educational program needs vary, it will be necessary to develop design specifications that best establish a baseline "standard" for each of the following:

- elementary schools,
- middle schools,
- junior high schools,
- high schools,
- special education facilities, and
- various combinations of the above.

Once the baselines have been established for each of the educational programs, and after consulting with DOE, DOT&PF would be prepared to establish the design criteria and construction specifications for each set of regional standards. Modifications, in the form of design features and cost factors, could then be applied to the baseline standards to reflect such variables as structural requirements associated for snow and seismic loadings, soils conditions, energy (thermal) requirements, unique climatic conditions and geographic construction costs. It follows then that school construction costs (probably on a square footage basis, and possibly on a per student basis) could be determined for each school type, whereby the cost of the basic school type, modified by the appropriate adjustment factors, would yield an allowable overall school cost for the subject facility. The basic cost and adjustment factors could later be inflated (from year to year) as appropriate.

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 take approximately 1.5 years to complete the task.

#### **Hence the following costs:**

##### **Personnel costs (for 1.5 years of professional service efforts):**

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

##### **Allowance for support staff: (for architects and engineers):**

Secretary and technical support staff 6000 hours @ \$35/ hour yields	\$210,000
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##### **Allowance for professional staff travel: (for architects and engineers):**

A lump Sum allowance of	<u>\$ 30,000</u>
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<b>Subtotal of costs associated with professional services activities</b>	<b>\$1,365,000</b>
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<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.

Personnel costs (for 1.5 years of DOT&PF Design Manager efforts):	
Range 22 C position = 3000 @ \$42/ loaded hourly rate yields	\$126,000
Allowance for travel, procurement expenses and support services	
Allowance is based upon 5% of project costs, yields	<u>\$150,000</u>
<b>GRAND TOTAL OF SECTION 4 COSTS (Excluding DOE Personnel Costs)</b>	<b>\$1,641,000</b>

### Proposed Legislation Section 5 (page 2)

Based upon the department's understanding that its involvement will be limited solely to the review and ranking process the following fiscal impacts are anticipated.

**Personal Services where:**

"one person shall be employed by the Department of Transportation and Public Facilities". Personnel costs related to one month's efforts of a DOT&PF Design Manager II @ range 22 C position = 165 hrs @ \$42/ (loaded) hour rate yields approx. \$7,000

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

- two trips are required for the evaluator to attend meetings directly associated with the ranking process \$ 1,000
- Associated per diem (20 days/person @ \$100/day) \$ 2,000

Total anticipated travel costs are \$ 3,000

**Contractual Expense.** Based upon our earlier assumption (see the listing of assumptions in a previous portion of this report), no expenses are allocated for this element.

<b>GRAND TOTAL OF SECTION 5 COSTS (Excluding DOE Costs)</b>	<u><u>\$10,000</u></u>
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### Proposed Legislation Sections 6 through 16

No departmental comment as a result of these sections.



# 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

5/30/97  
Date

**SB**

**7**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/93

FURTHER:

DATE TURNED INTO OFFICE: 4-21-93

The Finance Committee considered **SENATE BILL NO. 7**

"An Act relating to reimbursement of school construction debt; and providing for an effective date."

and recommends:

replace with CS SB 7 (FINANCE)  
 or  adopt previous CS (        )  
 attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts Senate Finance Letter of Intent  
 further referral to the         

- do pass
- do not pass
- no recommendation
- individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal
Dept of Educ	4/21/93		\$166.1
DOT/PF	4/20/92		\$84.1

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Tom Kelly  
Bob Kelly (stands on it own)  
Bob Kelly  
 1. Thank do pass

OTHER RECOMMENDATIONS:

Give this people  
More This No Rec  
 2. True source - 10 page

## Letter of Intent

CSSB-60<sup>7</sup>(Fin)

It is the intent of the Legislature that municipalities and school districts receive debt reimbursement for school construction and major rehabilitation projects from the school construction grant fund. The Legislature does not intend the fund to be used for normal, preventative, or routine maintenance activities.

It is further the Legislature's intent that municipalities and school districts ensure the proper maintenance and upkeep of their schools and classroom facilities through use of operating funds appropriated annually through the foundation funding formula.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS SB7 (FIN)

Revision Date: 21-Apr-93 Dept. Affected: EDUCATION  
 Title: An Act relating to grants for school construction BRU: Executive Administration  
reimbursement of school construction debt and school Component: CIP Overhead and Associated Costs  
construction bonds issued by the Alaska Municipal Bond Bank Authority  
 Sponsor: Senator Kertula, Little, Donley  
 Requestor: Senate Finance Committee COMPONENT SERIAL NO. 157

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	46.8	48.2	49.7	51.1	52.7	54.3
TRAVEL	39.4	39.4	39.4	39.4	39.4	39.4
CONTRACTUAL	70.3	70.3	70.3	70.3	70.3	70.3
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	9.0	1.5	1.5	1.5	1.5	1.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>166.1</b>	<b>160.0</b>	<b>161.5</b>	<b>162.9</b>	<b>164.5</b>	<b>166.1</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1061 CIP Receipts	166.1	160.0	161.5	162.9	164.5	166.1
<b>TOTAL</b>	<b>166.1</b>	<b>160.0</b>	<b>161.5</b>	<b>162.9</b>	<b>164.5</b>	<b>166.1</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

(SEE ATTACHED)

Prepared by: Gary M. Bader *Gary M. Bader*  
 Division: Administrative Services  
 Approved by Commissioner: \_\_\_\_\_  
 Agency: Department of Education

Phone: 465-2875  
 Date: 21-Apr-93  
 Date: 4/22/93

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FISCAL NOTE  
SB7

"An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

This bill will enable municipalities throughout the State to construct school facilities for unhoused students and to correct safety hazards and building code violations in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. This bill would establish a bond reimbursement and grant review committee to evaluate projects for the which reimbursement of school construction debt is requested and to establish the priorities for which school construction grants are requested. The committee would be composed of the following members:

1. one person licensed under AS 08.48 as an engineer;
2. one person licensed as an engineer and contractor under AS 08.18;
3. one person licensed under AS 48.48 as an architect and
4. one person with five years of experience in facilities management.

It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden of the Facilities Section in both clerical and administrative requirements. It is impossible to predict the State liability under SB7 in FY94.

This bill will require additional time in the administrative level in order to ensure co compliance with the regulations and fiscal accountability. It will require a more technical review of all school construction plans in order to ensure that they do not exceed the minimum standards established by the Departments of Education and Transportation and Pubic Facilities. This technical review must also include an evaluation of all projects submitted to assure compliance with the applicable standard. The amendment to Sec.14.11.014(b) will require the promulgation of new regulations regarding evaluation to include such factors as education programs. Necessary review of project plans and on-site reviews to establish eligibility and compliance will increase travel requirements.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility and the discrepancy between full funding through the grant program and partial funding through the debt retirement process. In addition technical assitance will be required in the development of statewide educational specifications and standardization review. These funds are expected to be needed continually in order to update the standards as materials and educational program needs evolve. Funds will be required for contractual services.

It is assumed that DOT/PF will provide the standard regional design specifications for schools in the arctic, interior, western and southeastern regions of the State.

## STATE OF ALASKA

BILL NUMBER: SB 7 (FIN)

CS  
1993 LEGISLATIVE SESSION

## FISCAL NOTE

Revision Date: 4/19/93 (Work Copy)  
Title: School Debt ReimbursementDepartment Affected: DOT&PF  
BRU: E&OSSponsor: Kernula  
Requestor:Component: D&C Standards  
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	1,641.0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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## 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 four page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 20, 1993

Approved by Commissioner: 

Bruce A. Campbell

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 20, 1993

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FISCAL NOTE  
SB7

"An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

This bill will enable municipalities throughout the State to construct school facilities for unhoused students and to correct safety hazards and building code violations in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. This bill would establish a bond reimbursement and grant review committee to evaluate projects for which reimbursement of school construction debt is requested and to establish the priorities for which school construction grants are requested. The committee would be composed of the following members:

1. one person licensed under AS 08.48 as an engineer;
2. one person licensed as an engineer and contractor under AS 08.18;
3. one person licensed under AS 48.48 as an architect and
4. one person with five years of experience in facilities management.

It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden on the Facilities Section in both clerical and administrative requirements. It is impossible to predict the State liability under SB7 in FY94.

This bill will require additional time at the administrative level in order to ensure compliance with the regulations and fiscal accountability. It will require a more technical review of all school construction plans in order to ensure that they do not exceed the minimum standards established by the Departments of Education and Transportation and Public Facilities. This technical review must also include an evaluation of all projects submitted to assure compliance with the applicable standard. The amendment to Sec.14.11.014(b) will require the promulgation of new regulations regarding evaluation to include such factors as education programs. Necessary review of project plans and on-site reviews to establish eligibility and compliance will increase travel requirements.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility and the discrepancy between full funding through the grant program and partial funding through the debt retirement process. In addition technical assistance will be required in the development of statewide educational specifications and standardization review. These funds are expected to be needed continually in order to update the standards as materials and educational program needs evolve. Funds will be required for contractual services.

It is assumed that DOT/PF will provide the standard regional design specifications for schools in the arctic, interior, western and southeastern regions of the State.

Personal Services		
Administrative Assistant II (14B)		46.8
	46.8	
Travel		
Administrative Travel for 4 person Review Committee		39.4
Air Fare of 10 site visits (10 x 700 x 4 = 35.0)	28.0	
Per Diem for 30 days (30 x 95 x 4 = 14.2)	11.4	
Contractual		70.3
Development of Regulations	7.5	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	2.5	
Phone lines 1 position @ \$300/year	.3	
Technical expert to assist in the development and updating of school construction standards and development of educational specifications	50.0	
Supplies		.6
Supplies for one year	.6	
Equipment		9.0
Office Furniture (desks, partitions, etc.)	3.0	
Computer Equipment (Computer, token ring, etc.)	6.0	
	FY94 Total	166.1

**STATE OF ALASKA**  
**CS**  
**1993 LEGISLATIVE SESSION**

**BILL NUMBER: SB 7 (2IN)**

**FISCAL NOTE**

Revision Date: 4/19/93 (Work Copy)  
 Title: School Debt Reimbursement

Department Affected: DOT&PF  
 BRU: E&OS

Sponsor: Kertula  
 Requestor:

Component: D&C Standards  
 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>
<b>CAPITAL</b>	<b>1,641.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
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1006 GF/MHTIA	0	0	0	0	0	0
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<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 four page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

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Date: April 20, 1993

Approved by Commissioner: 

Phone: 465-3900

Bruce A. Campbell

Agency: Department of Transportation and Public Facilities

Date: April 20, 1993

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**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

BILL NUMBER: SB 7 (FIN) CS

**ANALYSIS (cont. from page 1):****Fiscal Note Analysis for SB 7 (FIN) 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 \$1.64 MM.

**Personnel:** Depending on the extent of specifications required and the magnitude of funding provided, additional CIP 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 4 and 5 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 Personnel 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 fourteen 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 13 on page 1 of the proposed legislation, it is assumed that the terminology "specification" which appears on page 2 lines 13, 14, and 18 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 a wide variety of school specifications may have to be developed.*
- *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/specification 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 Sections 1 through 3

No departmental comment as a result of these sections.

### Proposed Legislation Section 4 (page 2)

#### Types of facilities under consideration:

As educational program needs vary, it will be necessary to develop design specifications that best establish a baseline "standard" for each of the following:

- elementary schools,
- middle schools,
- junior high schools,
- high schools,
- special education facilities, and
- various combinations of the above.

Once the baselines have been established for each of the educational programs, and after consulting with DOE, DOT&PF would be prepared to establish the design criteria and construction specifications for each set of regional standards. Modifications, in the form of design features and cost factors, could then be applied to the baseline standards to reflect such variables as structural requirements associated for snow and seismic loadings, soils conditions, energy (thermal) requirements, unique climatic conditions and geographic construction costs. It follows then that school construction costs

(probably on a square footage basis, and possibly on a per student basis) could be determined for each school type, whereby the cost of the basic school type, modified by the appropriate adjustment factors, would yield an allowable overall school cost for the subject facility. The basic cost and adjustment factors could later be inflated (from year to year) as appropriate.

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 take approximately 1.5 years to complete the task.

Hence the following costs:

**Personnel costs (for 1.5 years of professional service efforts):**

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

**Allowance for support staff: (for architects and engineers):**

Secretary and technical support staff 6000 hours @ \$35/ hour yields	\$210,000
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**Allowance for professional staff travel: (for architects and engineers):**

A lump Sum allowance of	<u>\$ 30,000</u>
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**Subtotal of costs associated with professional services activities** \$1,365,000

**Personnel costs (for 1.5 years of DOT&PF Design Manager efforts):**

Range 22 C position = 3000 @ \$42/ loaded hourly rate yields	\$126,000
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**Allowance for travel, procurement expenses and support services**

Allowance is based upon 5% of project costs, yields	<u>\$150,000</u>
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**GRAND TOTAL OF SECTION 4 COSTS (Excluding DOE Personnel Costs)** \$1,641,000

### 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 months labor at three quarter time (approximately 275 labor 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 Architect 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>1</sup>	\$59,125
<b>Travel Expense for the three evaluators where:</b>	
• 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	<u>\$25,000</u>
<b>GRAND TOTAL OF SECTION 5 COSTS (Excluding DOE &amp; Contractor Costs)</b>	<b>\$82,125</b>

### Proposed Legislation Sections 6 through 14

No departmental comment as a result of these sections.

<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.

4-21-93 pm

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8-LS0142K  
Ford  
4/21/93

**CS FOR SENATE BILL NO. 7(FIN)**

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

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

Offered:  
Referred:

Sponsor(s): SENATORS KERTTULA, Little, Donley, Kelly, Pearce, Frank, Taylor, Miller, Sharp, Halford

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to grants for school construction, to reimbursement of school  
2 construction debt, and to school construction bonds issued by the Alaska  
3 Municipal Bond Bank Authority; and providing for an effective date."

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

5 \* Section 1. AS 14.11.013(b) is repealed and reenacted to read:

6 (b) The department shall recommend school construction grants in the order  
7 of priority established by the grant review committee under AS 14.11.014.

8 \* Sec. 2. AS 14.11.013(d) is amended to read:

9 (d) The department shall reduce a project budget by the cost of those portions  
10 of a project design that the department determines (1) are for construction of student  
11 residential space, planetariums, hockey rinks, saunas, and other facilities for single  
12 purpose sporting or recreational uses that are not suitable for other activities; or (2)  
13 do not meet the design guidelines specified under (f) or (g) of this section that are  
14 applicable to the project. This subsection does not apply to funding for swimming

1 pools that meet criteria established by the department.

2 \* Sec. 3. AS 14.11.013(e) is amended to read:

3 (e) By November 5, the department shall provide public notice of the grant  
4 applications submitted under (a) of this section and the priorities established under  
5 AS 14.11.014 [(b) OF THIS SECTION]. After public notice has been given, the  
6 department shall, not later than December 1, hold a public hearing on the priorities  
7 established under AS 14.11.014 [(b) OF THIS SECTION]. In this subsection, "public  
8 notice" means notice published in a newspaper of general circulation and notice to  
9 every person who has requested notice about the grant application program from the  
10 department.

11 \* Sec. 4. AS 14.11.013 is amended by adding new subsections to read:

12 (f) The department shall, in consultation with the Department of Transportation  
13 and Public Facilities, develop standard regional design guidelines for the construction  
14 of schools in the state. Standard regional school design guidelines shall be developed  
15 for the arctic, interior, western, southcentral, and southeastern regions of the state. For  
16 each school construction project for which a grant is requested under AS 14.11.011,  
17 the department shall determine which standard regional school design guidelines are  
18 applicable to that project.

19 (g) A prototypical design utilized by a district may be substituted for a  
20 regional design required under (f) of this section if approved by the department.

21 \* Sec. 5. AS 14.11 is amended by adding a new section to read:

22 Sec. 14.11.014. BOND REIMBURSEMENT AND GRANT REVIEW  
23 COMMITTEE. (a) The commissioner shall establish a bond reimbursement and grant  
24 review committee for the purpose of evaluating projects for which retirement of school  
25 construction debt is requested, establishing the department's priorities among projects  
26 for which school construction grants are requested, and preparing a construction grant  
27 schedule. The committee shall consist of the commissioner or the commissioner's  
28 designee and five other people selected by the commissioner who have the following  
29 qualifications:

30 (1) one person shall be licensed under AS 08.48 as <sup>an engineer in private practice</sup> ~~an engineer~~;

31 ~~(2) one person shall have a teaching certificate issued by the~~

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~~department;~~

(3) on: person shall be licensed, <sup>an engineer and AS0848 and licensed</sup> as a construction contractor under AS 08.18;

(4) o person shall be <sup>an architect in private practice</sup> licensed under AS 08.48 as ~~an architect~~; and

(5) one person shall have five years of experience in school ~~or~~ <sup>or municipal</sup> facilities management.

(b) In evaluating projects for bond reimbursement or establishing priorities among grants as required under this section, the grant review committee shall evaluate all of the following factors, without establishing an absolute priority for any one factor:

- (1) emergency requirements;
- (2) priorities assigned by the district to the projects requested;
- (3) new local elementary and secondary facilities;
- (4) existing regional, community, and school facilities, and their condition; this paragraph does not include administrative facilities;
- (5) the amount of district operating funds expended for maintenance;

and

- (6) other program options for accomplishing the project's objectives.

(c) Members of the committee serve without compensation, but members who are not representing the department or the Department of Transportation and Public Facilities are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

\* Sec. 6. AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before

amend. #2  
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revised  
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- 1 July 1, 1978<sub>2</sub> to pay costs of school construction;
- 2 (B) cash payments made after June 30, 1976<sub>2</sub> and before July 1,  
3 1978<sub>2</sub> by the municipality during the fiscal year two years earlier to pay costs  
4 of school construction;
- 5 (3) 90 percent of
- 6 (A) payments made by the municipality during the fiscal year  
7 two years earlier for the retirement of principal and interest on outstanding  
8 bonds, notes<sub>2</sub> or other indebtedness incurred after June 30, 1978<sub>2</sub> and before  
9 January 1, 1982<sub>2</sub> to pay costs of school construction projects approved under  
10 AS 14.07.020(a)(11);
- 11 (B) cash payments made after June 30, 1978<sub>2</sub> and before July 1,  
12 1982<sub>2</sub> by the municipality during the fiscal year two years earlier to pay costs  
13 of school construction projects approved under AS 14.07.020(a)(11);
- 14 (4) subject to (h) and (i) of this section, up to 90 percent of
- 15 (A) payments made by the municipality during the current fiscal  
16 year for the retirement of principal and interest on outstanding bonds, notes<sub>2</sub> or  
17 other indebtedness incurred after December 31, 1981, and authorized by the  
18 qualified voters of the municipality before July 1, 1983, to pay costs of school  
19 construction, additions to schools, and major rehabilitation projects that exceed  
20 \$25,000 and are approved under AS 14.07.020(a)(11); and
- 21 (B) cash payments made after June 30, 1982, and before July 1,  
22 1983, by the municipality during the fiscal year two years earlier to pay costs  
23 of school construction, additions to schools, and major rehabilitation projects  
24 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and
- 25 (C) payments made by the municipality during the current fiscal  
26 year for the retirement of principal and interest on outstanding bonds, notes, or  
27 other indebtedness to pay costs of school construction, additions to schools, and  
28 major rehabilitation projects that exceed \$25,000 and are submitted to the  
29 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and  
30 approved by the qualified voters of the municipality before October 15, 1983,  
31 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of

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average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (5)(A) of this subsection;

(5) subject to (h), (i), and (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on

(i) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(ii) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h), (i), (j), and (o) of this section. 70 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after April 1, 1993, but before November 5, 1997, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$150,000 and are approved under AS 14.07.020(a)(11);  
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(B) cash payments made after April 1, 1993, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$150,000 and are approved by the department before November 5, 1997, under AS 14.07.020(a)(11); in this subparagraph, "costs of school construction" means the cost of architectural, engineering, or other services in preparation of construction, acquisition of real property, and site preparation and development;

*amend #7 adopted*

(7) subject to (h), (i), (j), and (o) of this section, 70 percent of payments made after July 1, 1994, by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 1, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects, that exceed \$150,000 and are approved under AS 14.07.020(a)(11).

*#8 not made here amend #9 adopted*

\* Sec. 7. AS 14.11.100(a)(6) is repealed and reenacted to read:

(6) subject to (h), (i), (j), and (o) of this section, 70 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after April 1, 1993, but before November 8, 1994, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed <sup>200,000</sup> \$150,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after April 1, 1993, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed <sup>200,000</sup> \$150,000 and are approved by the department before November 8, 1994, under AS 14.07.020(a)(11); in this subparagraph, "costs of school construction" means the cost of architectural, engineering, or other services in preparation of construction, acquisition of real property, and site preparation and development;

\* Sec. 8. AS 14.11.100(j) is amended to read:

1 (j) Except as provided in (l) of this section, the state may not allocate money  
2 to a municipality for a school construction project under (a)(5), (6), or (7) of this  
3 section unless the municipality complies with the requirements of (1) - (4) of this  
4 subsection, the project is approved by the commissioner before the local vote on the  
5 bond issue for the project or for bonds authorized after March 31, 1990, but before  
6 November 5, 1997, the bonds are approved by the commissioner before  
7 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
8 June 30, 1988. In approving a project under this subsection, the commissioner shall  
9 require

10 (1) the municipality to include on the ballot for the bond issue, for  
11 bonds authorized on or before March 31, 1990, the estimated total cost of each  
12 project including estimated total interest, estimated annual operation and maintenance  
13 costs, the estimated amounts that will be paid by the state and by the municipality, and  
14 the approximate amount that would be due in annual taxes on \$100,000 in assessed  
15 value to retire the debt;

16 (2) that the bonds may not be refunded unless the annual debt service  
17 on the refunding issue is not greater than the annual debt service on the original issue;

18 (3) that the bonds must be repaid in approximately equal annual  
19 principal payments or approximate equal debt service payments over a period of at  
20 least 10 years;

21 (4) the municipality to demonstrate need for the project by establishing  
22 that the school district has

23 (A) projected long-term student enrollment that indicates the  
24 district has inadequate facilities to meet present or projected enrollment; or

25 (B) facilities that require repair or replacement in order to meet  
26 health and safety laws or regulations or building codes.

27 \* Sec. 9. AS 14.11.100 is amended by adding new subsections to read:

28 (n) Subject to (h), (i), and (j) of this section, the state shall allocate to the  
29 Alaska Municipal Bond Bank Authority 70 percent of payments made by the authority  
30 during the fiscal year for retirement of principal and interest on outstanding bonds,  
31 notes, or other indebtedness issued under AS 44.85.080 after April 1, 1993, but before

1 November 5, 1997, to pay costs of school construction, additions to schools, and major  
2 rehabilitation projects that exceed <sup>200,000</sup> \$150,000 and are approved under AS 14.07.020(11). #8

3 (o) The total amount of school construction projects approved for  
4 reimbursement by the department under (a)(6) or (7) of this section may not exceed  
5 <sup>500,000,000</sup> ~~\$400,000,000~~. #10

6 \* Sec. 10. AS 44.85.080 is amended by adding a new paragraph to read:

7 (23) receive appropriations from the legislature for retirement of  
8 principal and interest on bonds, notes, or other indebtedness issued after April 1, 1993,  
9 but before November 5, 1997, to pay costs of school construction, additions to schools,  
10 and major rehabilitation projects that exceed <sup>200,000</sup> \$150,000 and are approved under #8  
11 AS 14.07.020(a)(11).

12 \* Sec. 11. AS 44.85.180(c) is amended to read:

13 (c) Notwithstanding the provisions of (a) and (b) of this section, the total  
14 amount of bond bank authority bonds and notes outstanding at any one time, except  
15 bonds or notes issued to fund or refund bonds or notes, may not exceed <sup>500,000,000</sup> ~~\$700,000,000~~, #10  
16 of which <sup>500,000,000</sup> ~~\$100,000,000~~ may only be issued to fund school construction, additions  
17 to schools, or major school rehabilitation projects that are approved under  
18 AS 14.07.020(a)(11) [\$300,000,000]. #10

19 \* Sec. 12. TRANSITION. Notwithstanding AS 14.11.013(f), enacted in sec. 4 of this Act,  
20 the Department of Education is not required to determine applicable standard regional school  
21 designs for grant projects unless the grant project is submitted to the Department of Education  
22 under AS 14.11.011 after July 1, 1994.

23 \* Sec. 13. APPLICABILITY. This Act does not apply to school construction projects that  
24 are submitted to the Department of Education under AS 14.11.011(a) before the effective date  
25 of this Act.

26 \* Sec. 14. Section 7 of this Act takes effect on the day that the lieutenant governor certifies  
27 that a majority of the votes cast on the constitutional amendment described in sec. 15 of this  
28 Act were opposed to the amendment.

29 \* Sec. 15. AS 14.11.100(n), enacted in sec. 9 of this Act, and secs. 10 and 11 of this Act  
30 take effect on the effective date of an amendment to the Constitution of the State of Alaska  
31 that creates the Alaska school construction and maintenance fund and that is proposed by the

1 Eighteenth Alaska State Legislature.

2 \* Sec. 16. Except as provided in secs. 14 and 15 of this Act, this Act takes effect

3 immediately under AS 01.10.070(c).

**SECTIONAL ANALYSIS**  
**CS FOR SENATE BILL NO. 7(FIN)**

**An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date.**

**Section 1.** Repeals and reenacts the requirements for the Department of Education (DOE) in reviewing school construction grants and and places this review process under a newly established Grant Review Committee.

**Section 2.** Directs the DOE to reduce the project budget for school projects it is reviewing by the cost of those portions of a school design which are in addition to the standard regional school design specifications established in Section 4 of this Bill.

**Section 3.** Applies the DOE public notice responsibilities for grant applications to AS 14.11.014 which is established in Section 5 of this Bill.

**Section 4.** Directs the DOE to develop, in consultation with the Department of Transportation and Public Facilities (DOT/PF), standard regional school design specifications for construction of schools in the state.

**Section 5.** Establishes a bond reimbursement and grant review committee to review for the purpose of evaluating projects for which retirement of school debt is requested or for which a school construction grant is requested.

The bond reimbursement and grant review committee will be comprised of a representative of the DOE Commissioner, a licensed engineer, a certified teacher, a licensed construction contractor, a licensed architect, and a facilities manager with over five years experience.

This section further sets out factors which should be evaluated in establishing priorities among grants.

**Section 6.** Amends AS 14.11.100(j) to allow the state to allocate money to a municipality for a school construction project funded by bonds authorized by the voters after April 1, 1993, and before November 5, 1997. It also establishes that before payments can be made for school debt reimbursement the school projects involved must be approved by the Commissioner of Education.

**Section 7.** Repeals and reenacts AS 14.11.100(j) as amended in Section 6 of this bill in conjunction with the passage of an amendment to the Constitution of the State of Alaska that creates the Alaska school construction and maintenance fund.

**Section 8.** Amends AS 14.11.100(n) and establishes the method of state reimbursement for school construction debt issued under AS 44.85.080 after April 1, 1993, but before November 5, 1997. This section designates the Alaska Municipal Bond Bank Authority as the primary vehicle for payment of the State's 70% debt reimbursement.

**Section 9.** Repeals and reenacts AS 14.11.100(n) as amended in Section 8 of this bill in conjunction with the passage of an amendment to the Constitution of the State of Alaska that creates the Alaska school construction and maintenance fund.

**Section 10.** Amends AS 44.85.080(23) to allow the Alaska Municipal Bond Bank Authority to receive appropriations from the legislature for retirement of principal and interest on debt issued for school construction after April 1, 1993, but before November 5, 1997.

**Section 11.** Repeals and reenacts AS 44.85.080(23) as amended in Section 10 of this bill in conjunction with the passage of an amendment to the Constitution of the State of Alaska that creates the Alaska school construction and maintenance fund.

**Section 12.** Amends AS 44.85.180(c) to increase the total bonding authority of the Alaska Municipal Bond Bank Authority from \$300,000,000 to \$700,000,000 with \$400,000,000 of this bonding authority to be restricted to bonds issued for school construction, additions to schools, or major rehabilitation projects that are approved under AS 14.07.020(a)(11).

**Section 13.** Establishes the provisions set out in Sections 7, 9, and 11 of this bill in conjunction with the passage of an amendment to the Constitution of the State of Alaska that creates the Alaska school construction and maintenance fund.

**Section 14.** Provides for an immediate effective date with the exception of the provisions of Section 13 of this bill.

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CS SB7 (FIN)

Revision Date: 20-Apr-93 Dept. Affected: EDUCATION  
 Title: An Act relating to grants for school construction BRU: Executive Administration  
reimbursement of school construction debt and school Component: CIP Overhead and Associated Costs  
construction bonds issued by the Alaska Municipal Bond Bank Authority

Sponsor: Senator Kertula, Little, Donley  
 Requestor: Senate Finance Committee COMPONENT SERIAL NO. 157

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	46.8	48.2	49.7	51.1	52.7	54.3
TRAVEL	49.2	49.2	49.2	49.2	49.2	49.2
CONTRACTUAL	70.3	70.3	70.3	70.3	70.3	70.3
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	9.0	1.5	1.5	1.5	1.5	1.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>175.9</b>	<b>169.8</b>	<b>171.3</b>	<b>172.7</b>	<b>174.3</b>	<b>175.9</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1061 CIP Receipts	175.9	169.8	171.3	172.7	174.3	175.9
<b>TOTAL</b>	<b>175.9</b>	<b>169.8</b>	<b>171.3</b>	<b>172.7</b>	<b>174.3</b>	<b>175.9</b>

**POSITIONS:**

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

(SEE ATTACHED)

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

Phone: 465-2875  
 Date: 20-Apr-93

Approved by Commissioner: *[Signature]*  
 Agency: Department of Education

Date: 4/21/93

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FISCAL NOTE  
SB7

An Act relating to grants for school construction, to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

This bill will enable municipalities throughout the State to construct school facilities for unhoused students and to correct safety hazards and building code violations in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. This bill would establish a bond reimbursement and grant rev. v committee to evaluate projects for the which reimbursement of school construction debt is requested and to establish the priorities for which school construction grants are requested. The committee would be composed of the following members:

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 and
5. one person with five years of experience in facilities management.

It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden of the Facilities Section in both clerical and administrative requirements. It is impossible to predict the State liability under SB7 in FY94.

This bill will require additional time in the administrative level in order to ensure compliance with the regulations and fiscal accountability. It will require a more technical review of all school construction plans in order to ensure that they do not exceed the minimum standards established by the Departments of Education and Transportation and Public Facilities. This technical review must also include an evaluation of all projects submitted to assure compliance with the applicable standard. The amendment to Sec.14.11.014(b) will require the promulgation of new regulations regarding evaluation to include such factors as education programs. Necessary review of project plans and on site reviews to establish eligibility and compliance will increase travel requirements.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility and the discrepancy between full funding through the grant program and partial funding through the debt retirement process. In addition technical assistance will be required in the development of statewide educational specifications and standardization review. These funds are expected to be needed continually in order to update the standards as materials and educational program needs evolve. Funds will be required for contractual services.

It is assumed that DOT/PF will provide the standard regional design specifications for schools in the arctic, interior, western and southeastern regions of the State.

Personal Services		
Administrative Assistant II (14B)	46.8	46.8
Travel		
Administrative Travel for 5 person Review Committee		49.2
Air Fare of 10 site visits (10 x 700 x 5 = 35.0)	35.0	
Per Diem for 50 days (30 x 95 x 5 = 14.2)	14.2	
Contractual		70.3
Development of Regulations	7.5	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	2.5	
Phone lines 1 position @ \$300/year	.3	
Technical expert to assist in the development and updating of school construction standards and development of educational specifications	50.0	
Supplies		.6
Supplies for one year	.6	
Equipment		9.0
Office Furniture (desks, partitions, etc.)	3.0	
Computer Equipment (Computer, token ring, etc.)	6.0	
	FY94 Total	175.9

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 7

Revision Date: \_\_\_\_\_ Dept. Affected: Education  
 Title: Relating to reimbursement of school BRU: Executive Administration  
construction debt Component: CIP Overhead and  
Associated Costs  
 Sponsor: \_\_\_\_\_  
 Requestor: Senator Kertulla COMPONENT SERIAL NO. 156

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	41.5	42.7	44.0	45.3	46.7	48.1
TRAVEL	8.9	8.9	8.9	8.9	8.9	8.9
CONTRACTUAL	17.8	17.8	17.8	17.8	17.8	17.8
SUPPLIES	.6	.6	.6	.6	.6	.6
EQUIPMENT	9.0	1.5	1.5	1.5	1.5	1.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>77.8</b>	<b>71.5</b>	<b>72.8</b>	<b>74.1</b>	<b>75.5</b>	<b>76.9</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE:</b>						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1061 CIP Receipts	77.8	71.5	72.8	74.1	75.5	76.9
<b>TOTAL</b>	<b>77.8</b>	<b>71.5</b>	<b>72.8</b>	<b>74.1</b>	<b>75.5</b>	<b>76.9</b>

**POSITIONS:**

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

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

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

It is impossible to predict the State liability in FY94 and beyond under SB 7.  
(see attached)

Prepared by: Gary M. Bader *Gary M. Bader 1/25/93*  
 Division: Administrative Services  
 Approved by Commissioner: *[Signature]*  
 Agency: Department of Education

Phone: 465-2875  
 Date: January 25, 1993  
 Date: 1/26/93

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Position Title Administrative Assistant I		No. of Positions 1	Range / Step 12B	Org. Unit SGU
Time Status PFT	Staff Months 12	Location Juneau		Election District 3, 4
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	Justification	
Salary		28.8		
Benefits		12.7		
Premium Pay				
Other				
Total Personal Services		41.5		
Travel		8.9		
Contractual		17.8		
Commodities				
Equipment		9.6		
Other				
Total Cost		77.8		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
IA Receipts	1007			
CIP Receipts	1061	77.8		
Other				

**Request For  
New Position**

AGENCY Education  
 BRU Executive Administration  
 COMPONENT CIP Overhead and Associated Costs

**FY** 1994

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date: \_\_\_\_\_

## FISCAL NOTE SB 7

"An Act relating to reimbursement of school construction debt; and providing for an effective date."

This bill will enable municipalities throughout the State to construct much needed school facilities for a burgeoning unhoused student population and to correct safety hazards and code deficiencies in aging facilities. It is certain that this will result in a large number of requests for approval of school construction projects which will place an additional burden on the Facilities Section in both clerical and administrative requirements. While it may reduce the number of requests for grants through AS14.11.011 from the larger municipalities, it is likely that they will continue to seek grant funds depending on their current bond debt and fiscal obligations. Additionally, smaller municipalities, whose ability to bond is restricted or nonexistent and whose cash flow will enable them only limited use of the cash reimbursement process, will still seek State aid through the grant process.

This bill will require additional time at the administrative level in order to ensure compliance with the regulations and fiscal accountability. Though regulations are in place to govern administration of this program, in order to exercise some control over the State's obligation for debt, regulations should be revised to limit the term of eligibility. Necessary review of project plans and on-site reviews to determine eligibility and compliance will increase administrative travel requirements. Funds will be required for travel.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility, and the discrepancy between full funding through the grant program and partial funding through the debt retirement process. Funds will be required for contractual services.

One additional position is necessary to ensure compliance with this legislation. Personal services costs are assumed to increase 3% per year after the first year. Equipment costs are \$9.0 the first year and \$1.5 for replacement thereafter.

Funding for the CIP Overhead and Associated Costs component will be based upon a percentage charge from the school construction grant account and inter-agency receipts originating from the Alaska debt retirement fund.

Personal Services		41.5
Administrative Assistant I (12B)	41.5	
Travel		8.9
Administrative travel		
Air fare for 10 site visits (10 x 700 = 7.0)	7.0	
Per Diem for 20 days (20 x 95 = 1.9)	1.9	

Contractual		17.8
Development of regulations	5.0	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	2.5	
Phone lines 1 position @ \$300/year	.3	
Supplies		.6
Supplies for 1 position	.6	
Equipment		9.0
Office furniture (desks, partitions, ect.)	3.0	
Computer Equipment (Computer, token ring, etc.)	6.0	
	FY 94 Total	77.8

1/20/93

**FISCAL NOTE**

Revision Date: 04/23/93 (Work Copy)  
Title: School Debt Reimbursement

Department Affected: DOT&PF  
BRU: E&OS

Sponsor: Kerttula, Little, Donley  
Requestor:

Component: D&C Standards  
Component Serial Number: 547

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

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	7.0	7.2	7.5	7.8	8.0	8.3
TRAVEL	3.0	3.1	3.2	3.3	3.4	3.6
CONTRACTUAL	0	0	0	0	0	0
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>10.0</b>	<b>10.3</b>	<b>10.7</b>	<b>11.1</b>	<b>11.4</b>	<b>11.9</b>

CAPITAL	1,641.0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	1,651.0	10.3	10.7	11.1	11.4	11.9
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>1,651.0</b>	<b>10.3</b>	<b>10.7</b>	<b>11.1</b>	<b>11.4</b>	<b>11.9</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 four page analysis for details and assumptions.

Prepared by: Roger W. Allington, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 27, 1993

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

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 27, 1993

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ANALYSIS (cont. from page 1):

**Fiscal Note Analysis for CS SB 7 (FIN)**

**Fiscal Note Summary:**

The proposed legislation is anticipated to have the following impacts.

**Section 4 Impacts - FY 94 and 95 (Capital funds for design guidelines, specifications and review of prototypical school designs.)**

Expenditures: Personal services, contractual and travel costs total \$1.64 MM. *It should be recognized that this amount equates to only three tenths of one percent of the entire construction amount (\$500,000,000) that could be obligated under this bill.*

Personnel: Depending on the extent of guidelines required and the magnitude of funding provided, additional CIP 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 \$10,000.

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 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 section 4 is fundamental to the other sections, the requirements of this section will have to be met before the full effect of the legislation will be apparent. Section 4 will require an extensive amount of time and effort (by both DOT&PF and the Department of Education) to complete the mandated guidelines 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 FY 94 portion of the fiscal note.

### **Analysis and Assumptions:**

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

- *Given past experience, and based upon the evaluating criteria presented under lines 14 through 24 on page 3, a substantial amount of preliminary review work will have to occur prior to the first meeting of the Review Committee. Presently, no fiscal impacts for these services are included in this document. However, (based upon previous fiscal notes) it is anticipated that, if the Department of Education desires the assistance of DOT&PF in these areas, a Reimbursable Services Agreement of approximately \$85,000 per year will be required.*
- *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 13 on page 1 of the proposed legislation, it is assumed that the terminology "guidelines" which appears on page 2 lines 13, 14, and 18 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 a wide variety of school specifications may have to be developed.*
- *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 guideline/specification 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.*
- *It is assumed that the grant review committee will meet only on an annual (or worst case semi-annual) basis to conduct the activities associated with the Section 5 grant review.*

### **Proposed Legislation Sections 1 through 3**

No departmental comment as a result of these sections.

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

As a preamble to this section, the department wishes to re-emphasize that the costs associated with the services described within this section of the analysis are very insignificant when compared to the total dollar value of the ensuing school construction costs. This amount, \$1.64 million, constitutes only 0.3% of the potential

\$500 million in total construction costs that could be allocated under the legislation. A very small amount when compared to the 7.3 % design costs <sup>1</sup> experienced on a local school project.

**Types of facilities under consideration:**

As educational program needs vary, it will be necessary to develop design specifications that best establish a baseline "standard" for each of the following:

- elementary schools,
- middle schools,
- junior high schools,
- high schools,
- special education facilities, and
- various combinations of the above.

Once the baselines have been established for each of the educational programs, and after consulting with DOE, DOT&PF would be prepared to establish the design criteria and construction specifications for each set of regional standards. Modifications, in the form of design features and cost factors, could then be applied to the baseline standards to reflect such variables as structural requirements associated for snow and seismic loadings, soils conditions, energy (thermal) requirements, unique climatic conditions and geographic construction costs. It follows then that school construction costs (probably on a square footage basis, and possibly on a per student basis) could be determined for each school type, whereby the cost of the basic school type, modified by the appropriate adjustment factors, would yield an allowable overall school cost for the subject facility. The basic cost and adjustment factors could later be inflated (from year to year) as appropriate.

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 take approximately 1.5 years to complete the task.

**Hence the following costs:**

**Personnel costs (for 1.5 years of professional service efforts):**

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

**Allowance for support staff: (for architects and engineers):**

Secretary and technical support staff 6000 hours @ \$35/ hour yields	\$210,000
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**Allowance for professional staff travel: (for architects and engineers):**

A lump Sum allowance of	<u>\$ 30,000</u>
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<b>Subtotal of costs associated with professional services activities</b>	<b>\$1,365,000</b>
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<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.

<b>Personnel 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 SECTION 4 COSTS (Excluding DOE Personnel Costs)</b>	<b>\$1,641,000</b>

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

Based upon the department's understanding that its involvement will be limited solely to the review and ranking process the following fiscal impacts are anticipated.

**Personal Services where:**

"one person shall be employed by the Department of Transportation and Public Facilities". Personnel costs related to one month's efforts of a DOT&PF Design Manager II @ range 22 C position = 165 hrs @ \$42/ (loaded) hour rate yields approx. \$ 7,000

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

- two trips are required for the evaluator to attend meetings directly associated with the ranking process \$ 1,000
  - Associated per diem (20 days/person @ \$100/day) \$ 2,000
- Total anticipated travel costs are \$ 3,000

**Contractual Expense.** Based upon our earlier assumption (see the listing of assumptions in a previous portion of this report), no expenses are allocated for this element.

<b>GRAND TOTAL OF SECTION 5 COSTS (Excluding DOE Costs)</b>	<u><u>\$10,000</u></u>
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**Proposed Legislation Sections 6 through 16**

No departmental comment as a result of these sections.

**FISCAL NOTE**

Revision Date: 04/21/93  
Title: School Debt Reimbursement

Department Affected: DOT&PF  
BRU: E&OS

Sponsor: Kertula  
Requestor:

Component: D&C Standards  
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	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
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>	0	0	0	0	0	0

CAPITAL	1,641.0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	1,641.0	0	0	0	0	0
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>	1,641.0	0	0	0	0	0

**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.

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 22, 1993

Approved by Commissioner: BA Campbell  
Bruce A. Campbell

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 23, 1993

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ANALYSIS (cont. from page D):

**Fiscal Note Analysis for CS SB 7 (FIN)**

**Fiscal Note Summary:**

The proposed legislation is anticipated to have the following impacts.

**Section 4 Impacts - FY 94 and 95 (Capital funds for design guidelines, specifications and review of prototypical school designs.)**

Expenditures: Personal services, contractual and travel costs total \$1.64 MM.

*It should be recognized that this amount equates to only three tenths of one percent of the entire construction amount (\$500,000,000) that could be obligated under this bill.*

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

**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).

**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 section 4 is fundamental to the other sections, the requirements of this section will have to be met before the full effect of the legislation will be apparent. Section 4 will require an extensive amount of time and effort (by both DOT&PF and the Department of Education) to complete the mandated guidelines 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 FY 94 portion of the fiscal note.

## **Analysis and Assumptions:**

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

- *Given the bill's current language, it is difficult to assess the involvement of DOT&PF in the activities described under Section 4 (lines 19 and 20) and Section 5. Presently, no fiscal impacts for these services are included in this document. However (based upon previous fiscal notes) it is anticipated that, if the Department of Education desires the assistance of DOT&PF in these areas, a Reimbursable Services Agreement of approximately \$85,000 per year will be required.*
- *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 13 on page 1 of the proposed legislation, it is assumed that the terminology "guidelines" which appears on page 2 lines 13, 14, and 18 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 a wide variety of school specifications may have to be developed.*
- *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 guideline/specification 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 Sections 1 through 3**

No departmental comment as a result of these sections.

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

As a preamble to this section, the department wishes to re-emphasize that the costs associated with the services described within this section of the analysis are very insignificant when compared to the total dollar value of the ensuing school construction costs. This amount, \$1.64 million, constitutes only 0.3% of the potential \$500 million in total construction costs that could be allocated under the legislation. A very small amount when compared to the 7.3 % design costs <sup>1</sup> experienced on a local school project.

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<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.

**Types of facilities under consideration:**

As educational program needs vary, it will be necessary to develop design specifications that best establish a baseline "standard" for each of the following:

- elementary schools,
- middle schools,
- junior high schools,
- high schools,
- special education facilities, and
- various combinations of the above.

Once the baselines have been established for each of the educational programs, and after consulting with DOE, DOT&PF would be prepared to establish the design criteria and construction specifications for each set of regional standards. Modifications, in the form of design features and cost factors, could then be applied to the baseline standards to reflect such variables as structural requirements associated for snow and seismic loadings, soils conditions, energy (thermal) requirements, unique climatic conditions and geographic construction costs. It follows then that school construction costs (probably on a square footage basis, and possibly on a per student basis) could be determined for each school type, whereby the cost of the basic school type, modified by the appropriate adjustment factors, would yield an allowable overall school cost for the subject facility. The basic cost and adjustment factors could later be inflated (from year to year) as appropriate.

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 take approximately 1.5 years to complete the task.

**Hence the following costs:**

**Personnel costs (for 1.5 years of professional service efforts):**

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

**Allowance for support staff: (for architects and engineers):**

Secretary and technical support staff 6000 hours @ \$35/ hour yields	\$210,000
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**Allowance for professional staff travel: (for architects and engineers):**

A lump Sum allowance of	<u>\$ 30,000</u>
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<b>Subtotal of costs associated with professional services activities</b>	<b>\$1,365,000</b>
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**Personnel costs (for 1.5 years of DOT&PF Design Manager efforts):**

Range 22 C position = 3000 @ \$42/ loaded hourly rate yields	\$126,000
--	-----------

**Allowance for travel, procurement expenses and support services**

Allowance is based upon 5% of project costs, yields	<u>\$150,000</u>
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<b>GRAND TOTAL OF SECTION 4 COSTS (Excluding DOE Personnel Costs)</b>	<b>\$1,641,000</b>
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**Proposed Legislation Section 5 (page 2)**

The fiscal impacts for this section of the proposed legislation has been dropped. However, an assumption with respect to these costs appears in the initial part of this fiscal note.

**Proposed Legislation Sections 6 through 16**

No departmental comment as a result of these sections.

Handout  
60 Bob P. e  
4-21-93  
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**Anticipated Municipal Elections - October 93**

Fairbanks NSB		\$93,000.00
New High School	60,000.00	
New North Elm	13,000.00	
Renovate Lathrop Hi.	<u>20,000.00</u>	
Kenai PB		\$49,700.00
Tusteman Elem. Addition	5,400.00	
New Kenai Elem	9,000.00	
New W.Homer Elem	10,300.00	
6 Portable Classrooms	430,000	
Skyview Middle/Jr.High-New	<u>25,000.00*</u>	

\*Kenai anticipates a ballot proposition including only the new Middle School in Cot 93.

Mat-Su Borough		\$50,000.00
New Middle School	25,000.00	
New Wasilla Elem	10,000.00	
Palmer Elem Upgrade	10,000.00	
Glacier View(Sm.School)	5,000.00 (Sen.Lincoln)	

Juneau		\$17,500.00
New Elem.	\$14,200.00	
Elem. Schools-roof replace	2,200.00	
Gastineau Elem-renovate	300.00	
Access Reconfiguration	600.00	
Overpass Upgrade	200.00	

**Retro Clause for Anchorage Elections, April 20:**

Municipality of Anchorage	\$170,000.00
<b>Total Project Cost</b>	<b><u>\$387,500.00</u></b>
<b>Municipal Share @ 30%</b>	<b>-\$116,250.00</b>
<b>State Share @ 70% through Municipal Bond Bank</b>	<b><u>\$271,250.00</u></b>
<b>Available Bond Bank. Balance under CAP</b>	<b>\$128,750.00</b>