

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9992 HOUSE RULES

TO: Representative Norman Rokeberg  
Chairman, House Labor and Commerce Committee  
FR: Marjorie T. Linder, M.A., CRC  
RE: Testimony regarding HB 419  
DATE: March 20, 2000

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I am Marjorie Linder, a vocational rehabilitation counselor in the workers' compensation system. I served on the WCCA in 1988 and helped draft Section .041 of the current law. Because of my past involvement, I offer a unique perspective. I know that I had good intentions with these law changes, but, like Frankenstein, I helped to create a monster.

In 1988, there was the perception that the law was unbalanced in favor of injured workers. Premiums were on the rise. Thus, the law was overhauled and, since then, employers have enjoyed a 41.5% reduction in premiums, according to the recent legislative audit. There is no crisis for employers.

Unfortunately, injured workers have paid the price for their employers' tremendous savings in workers' compensation insurance. Today, only 300 out of 28,000 workers injured each year qualify for the reemployment benefit. Both a laborer and an office worker receive as little as \$9450 for a herniated disc despite the disparate ways that injury affects them. The reemployment benefit attempts to assist the laborer to learn to earn a living again because he, unlike the office worker, can't return to his job.

Workers with no ratable impairment are ineligible for retraining. This affects office workers, cannery workers, and others with repetitive stress injuries to their forearms, for instance.

Young Slope workers who are able to return to work at the fast foods job they held in high school are ineligible for the benefit. The wage disparity does not matter.

Workers whose job is described inaccurately with physical demands that are lower than the actual job are also found ineligible.

Instead of curing such problems with the present Act, Section 7 (r) of HB 419 seeks to further restrict access to retraining for injured workers. It "allows" workers to forfeit their reemployment benefits before they know whether they will need them and before they know how much they are worth to them. Once they have signed on the dotted line, they can not retract their waiver if they find they are unable to return to work or continue to work because of their injuries.

With no legal advice or explanation from anyone other than their claims adjusters, workers who don't typically read what they sign, who can't speak English, who are functionally illiterate, or who are on pain pills will sign these affidavits "as a matter of course" -- a paper sandwiched among others.

At present, workers can already waive their benefit, but only after they reach medical stability, after they understand that the value of the benefit they are forfeiting, and after they have legal advice or advice from the workers' compensation board to assure they understand exactly what they are waiving. Unless they have signed a compromise and release, they can also retract their waiver if they find their new physical limitations prevent their ability to work. Under the present act, the reemployment benefit for uncooperative workers can easily be controverted. **No law changes need occur to make sure the reemployment benefit is voluntary. The mechanism for waiving the benefit is already in place without the passage of Section 7 (r).**

Section 7 (r) invites numerous negative consequences:

- The waiver's irrevocability will encourage numerous legal challenges. Like the Miranda warning has done, this waiver will tie up the legal system for years to come. That litigation will cost the State of Alaska money.
- Workers with no way to earn a living will lose their homes, their savings, and their buying power. That will hurt, not help Alaskan businesses.
- Section 7 (r) of this law is a veiled attempt by the insurance industry to get the State to supplement the benefits for which they collect premiums. Injured workers not adequately served by the comp system will be forced to obtain financial support for themselves and retraining from Public Assistance and DVR. That will cost the State of Alaska money.
- As time passes and their resources decrease, injured workers who are able, will accept inappropriate employment and put themselves, their co-workers, and their next employer at risk. All of us will suffer.
- If workers waive the benefit and their waiver is irrevocable, then subsequently find that they can not work, they may be eligible to be declared permanently and totally disabled. Employers will pay for a lifetime of benefits that could have been over in two years.

Therefore, I urge you to **remove Section 7 (r) from HB 419** to protect the people of Alaska and the State budget. **One life is a precious thing to waste.**

Let's do the math with a fictitious worker who is assumed to have a 5% permanent partial impairment rating at the time of the institution of the re-employment plan (10% is considered high for most in our system), a \$500/week compensation rate, and a 2 year, \$13,300 rehab plan. Under this scenario, the worker will receive the following:

BENEFIT	TOTAL AMOUNT	Weekly Benefit
PPI (5 X \$1770) <sup>1</sup>	\$8,850	\$500 for 17.7 weeks
.041 (k) <sup>2</sup>	\$37,935	Approx. \$450 for 84.3 weeks
Tuition, books, and supplies	\$13,300	For a program of up to two years in length
TOTAL WAIVED	\$51,235	

If the worker waives rehab, the PPI (permanent injury payout) increase of \$2100 (\$420 per percentage point) for the injured worker in PPI benefits under HB 419 is counterbalanced by a loss of \$51,235 in benefits. This represents the cost of the employee's support during retraining, as well as the expense of tuition, books, and supplies. The injured worker will be left with \$8850 in his pocket, if he has a 5% impairment award. If he can return to work, he can earn money and still keep this \$8850. If he can't, and he has waived the reemployment benefit, his vocational life will be forfeited for \$8850!

<sup>1</sup> Every point will be worth \$1770 if this legislation passes. Under the 1988 Act presently in effect, each percentage point for impairment of the whole person is \$1350. The new Act changes that to \$1770 per percentage point. Most ratings are under 10%. Examples: a cartilage tear in the knee = 4% WP, operated herniated disc = 10%, unoperated herniated disc = 7%, neck fusion = 10%.

<sup>2</sup> This is the so-called "rehabilitation stipend" that supports the worker during the program while he is being retrained and after his permanent impairment award has been doled out to him at his compensation rate.



# Alaska State Legislature

Please enter into the record my testimony to the House Rules  
committee name

committee on HB 419, dated \_\_\_\_\_  
bill/subject

Please consider the recommendations of audit number 07-4601-00 on the workers compensation program before passing any new legislation.

In my particular case, Recommendation #3 (to provide more outreach and public education of the injured workers rights and responsibilities) and #6 (dealing with "frivolous controversion") would have been of great benefit and probably would have kept me from being forced out of the workers compensation system.

Thank you for listening, and thank you for working on this serious issue.

Signed: Tess Dietrich (Tess Dietrich)

Testifier

self

Representing (Optional)

Box 3342 Kodiak, AK 99615

Address

907-487-2369

Phone No.

# ALASKA STATE LEGISLATURE

## HOUSE LABOR AND COMMERCE COMMITTEE

Representative Norman Rokeberg, Chairman  
Representative Andrew Halcro, Vice-Chairman  
Representative John Harris  
Representative Lisa Murkowski  
Representative Jerry Sanders  
Representative Tom Brice  
Representative Sharon Cissna



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### SPONSOR STATEMENT CSHB 419 (JUD) WORKER'S COMPENSATION

The House Labor and Commerce Committee introduced CSHB 419 (L&C) at the request of the Ad Hoc Committee on Workers Comp and the Department of Labor & Workforce Development. The bill updates and revises Alaska's Worker's Compensation law that was last extensively revised in 1988.

The Ad Hoc Committee on Workers Comp consists of representatives from management and labor. This committee reviews worker's comp laws and suggests necessary changes. The bill before you is a result of such review.

Workers' compensation is a system that compensated a worker for on-the-job injuries not proximately caused by the worker. It is meant to provide worker protection when that worker is injured on the job.

Among the changes set forth in HB 419 are: (1) an intent section so that the Legislature's thoughts on worker's compensation are plainly set forth; (2) assurance of continuous employee participation in any reemployment plan; (3) sets forth that the average weekly wage amount is tied to a percent rather than stated amount; (4) mandate of an annual update of the usual, customary and reasonable medical fee schedules; (5) formula for exact weekly compensation in statute so the worker's compensation statute may change as wages change in Alaska; and (6) raises from \$135,000 to \$177,000 the ceiling amount that is used to determine a disability payment.

The Legislative Audit Division recently released a special report on the Workers' Compensation Division. An area of concern was the cap on injury awards and burial costs as set out in the 1988 statute. Legislative Audit indicated that the benefits have eroded over time by inflation. The report also points out that the main thrust of the 1988 statute has been accomplished with workers compensation insurance rates falling 41.5% since 1989. Legislative Audit further estimates that the whole body value of \$135,000, with inflation, should be around \$189,600, more than the \$177,000 agreed to in compromises made by the Ad Hoc committee.

The overall goal of this legislation is to increase the caps (i.e., increase worker benefits), streamline the system, provide the Division with more tools, and provide the employer and the employee with a workers' compensation system fair to all.

ED03:4/06/00

#### HB 419 Sectional analysis

Section 1 states the legislature's intent to provide quick, efficient, fair, and predictable benefits; its intent that the statute not be construed by the courts in any party's favor; and its intent to address the specific topics of sections 2-23.

Section 2 amends AS 23.30.041(g) to increase the deadline for the employee's choice of a rehabilitation specialist from 10 to 15 days, but subjects the employee to the suspension of benefits for failure to give the employer timely notice of the choice of specialist.

Section 3 amends AS 23.30.041(h) to require reemployment plans to require continuous participation by employees and to maximize the use of the employees' transferable skills. It also permits an employee's medical stability to be determined by a Board-appointed physician or a physician retained by the employer, as well as by a treating physician.

Section 4 amends AS 23.30.041(k) to change reemployment "wages" into a form of "compensation", allowing certain offsets and reductions. It increases the weekly compensation rate under this section from 60% to 70% of employee's spendable weekly wage. It also provides an offset of compensation when compensation and wages exceed 80% of the employee's spendable weekly wage. It suspends compensation when a lump-sum permanent partial impairment (PPI) payment has been made, until that PPI amount would have been paid out as weekly compensation benefits. It also bars entitlement to permanent total disability (PTD) benefits while an employee is engaged in a reemployment process, changing the law as interpreted by the Alaska Supreme Court decision in *Meek v. Unocal Corp.*, 914 P.2d. 1276 (Alaska 1996).

Section 5 amends AS 23.30.041(l) to increase the maximum cost of a reemployment plan from \$10,000 to \$13,300.

Section 6 amends AS 23.30.041(n) to permit an employer to suspend benefits if an employee fails to give the employer timely notice of the employee's choice of rehabilitation specialist under AS 23.30.041(g).

Section 7 adds a new subsection, AS 23.30.041(r), to permit an employee to waive reemployment benefits at any time, without having to go through a reemployment evaluation, and without having to go through a formal Compromise and Release (C&R) agreement. It removes the requirement for Board approval of the waiver under AS 23.30.012, and removes the Board's ability to modify the waiver under AS 23.30.130.

Section 8 amends AS 23.30.095(t) to require the usual, customary, and reasonable medical fee schedule to be updated at least once a year.

Section 9 adds new subsections, AS 23.30.095(l)&(m), increasing the deadline for the payment of medical bills from 14 to 30 days in conformity with the national industry standard. This changes the law resulting from the Alaska Supreme Court decision in *Childs v. Copper Valley Electrical Association*, 860 P.2d 1134 (Alaska 1993).

Section 10 amends AS 23.30.105(a) to place a two-year time limit on the employee's right to request reemployment benefits.

Section 11 amends AS 23.30.107(a) to require requests for medical releases to be in writing, and to give notice of the employee's right to request a protective order from the Board.

Section 12 adds a new section, AS 23.30.108, requiring decisions concerning medical releases to be made in prehearing conferences by a Board designee, with a limited right of appeal to the Board for abuse of discretion.

Section 13 adds a new subsection, AS 23.30.110(h), which restarts a two-year statute of limitations on an employee's right to pursue a claim, whenever the Board continues or cancels a hearing. This changes the law from the Alaska Supreme Court decisions in *Tipton v. ARCO Alaska, Inc.*, 922 P.2d 910 (Alaska 1996) and *Huston v. Coho Electric*, 923 P. 2d 818 (Alaska 1996).

Section 14 adds a new subsection, AS 23.30.155(p), requiring interest on late benefits to be paid at the rate used by the Alaska courts.

Section 15 amends AS 23.30.175(a), tying future maximum and minimum weekly compensation rates to the Alaska average weekly wage rate of the year preceding the injury. The maximum compensation rate would be 122% of the Alaska average weekly wage rate, and the minimum compensation rate would be 22% of the maximum compensation rate.

Section 16 adds a new section, AS 23.30.175(d), requiring the annual determination of Alaska average weekly wage.

Section 17 amends AS 23.30.190(a) to increase the whole-person value for permanent partial impairment ratings from \$135,000 to \$177,000.

Section 18 amends AS 23.30.215(a) to increase funeral expense benefits from \$2,500 to \$3,300. It also increases the combined benefits for a widow/widower with one child from 80% to 90% of the spendable weekly wage. It increases the combined benefits of a widow/widower with two children from 80% to 100% of the spendable weekly wage. It increases the benefits of orphans from 80% to 100% of the spendable weekly wage.

Section 19 amends AS 23.30.220(a) to incorporate overtime wages into the calculation of an employee's gross weekly wages. It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the 12 months immediately preceding the injury, instead of from the previous calendar year.

Section 20 makes sections 2 & 6-13 retroactive in application, and sections 3-5 & 14-19 effective prospectively from July 1, 2000.

Section 21 authorizes the department to adopt regulations and/or emergency regulations necessary to carry out the changes in the statute.

Section 22 permits the department to begin adopting necessary regulations immediately.

Section 23 provides an effective date of July 1, 2000.

HB 419  
Side-by-Side Analysis

SB 278 Section & Alaska Statute Citation	Proposed Law	Present Law
Section 1	Quick, efficient, fair, etc.	The same.
Section 2 amends AS 23.30.041(g)	The employee's choice of a rehabilitation specialist must be made within 15 days.  Allows suspension of benefits for failure to give the employer timely notice of the choice of specialist.	The employee must notify the employer of a choice of a rehabilitation specialist within 10 days.  There is no penalty for late notification.
Section 3 amends AS 23.30.041(h)	Reemployment plans require continuous participation by employees  Plans must maximize use of the employees' transferable skills.  An employee's medical stability to be determined by a Board- appointed physician or a physician retained by the employer, as well as by a treating physician.	Reemployment plans require a defined schedule, not continuous participation.  An employee's technical skills are simply one element of the plan.  An employee's medical stability is to be determined by a treating physician.
Section 4 amends AS 23.30.041(k)	Provides benefits in this section be called "compensation."  Increases the weekly benefit rate to 70% of employee's spendable weekly wage.  Allows an offset or reduction of compensation when compensation and wages exceed 80% of the spendable weekly wage.	Benefits under this section are termed "wages."  Weekly compensation under this section is 60% of the employee's spendable weekly wage.  Benefits are not reduced for wages earned for work in a reemployment plan.

It suspends compensation when a lump-sum permanent partial impairment (PPI) payment has been made, until that PPI amount would have been paid out as weekly compensation benefits.

Uncertain if a PPI lump-sum paid before rehabilitation may be offset against benefits received during the reemployment plan.

Bars entitlement to permanent total disability (PTD) benefits while an employee is engaged in the reemployment process, changing the law as interpreted by the Alaska Supreme Court decision in Meek v. Unocal.

An employee may be entitled to PTD benefits while an employee is engaged in the reemployment process, when no compensation is provided.

Section 5  
amends AS 23.30.041(l)

Increases the maximum cost of a reemployment plan to \$13,300.

The maximum cost of a reemployment plan is \$10,000.

Section 6  
amends AS 23.30.041(n)

Permits an employer to suspend benefits if an employee fails to give the employer timely notice of the employee's choice of rehabilitation specialist under AS 23.30.041(g).

There is no penalty if an employee fails to give timely notice to the employer, concerning the employee's choice of rehabilitation specialist under AS 23.30.041(g).

Section 7  
adds a new subsection,  
AS 23.30.041(r)

Permits an employee to waive reemployment benefits at any time, without having to go through a formal Compromise and Release (C&R) agreement.

An employee's entitlement to reemployment benefits may not be forfeited or waived without Board approval of a formal C&R agreement.

Section 8  
amends AS 23.30.095(f)

Requires the usual, customary and reasonable (UCR) medical fee schedule to be updated at least once a year.

The UCR medical fee schedule has no specific updating requirement.

<p>Section 9 adds new subsections, AS 23.30.095(l)&amp;(m)</p>	<p>Delays the deadline for the payment of medical bills to 30 days. This changes the law resulting from the Alaska Supreme Court decision in <u>Childs v. Copper Valley Electrical Association</u>.</p>	<p>The Alaska Supreme Court decided in <u>Childs</u> that payment on medical bills is due within 14 days under AS 23.30.155.</p>
<p>Section 10 amends AS 23.30.105(a)</p>	<p>Places a two-year time limit on the employee's right to request reemployment benefits.</p>	<p>AS 23.30.105(a) does not list reemployment benefits under the provision placing a two-year time limit on requests for benefits.</p>
<p>Section 11 amends AS 23.30.107(a)</p>	<p>Requires all requests for medical releases to be in writing, and to give notice of the employee's right to request a protective order from the Board.</p>	<p>Does not require requests for medical releases to be in any particular form; and does not require the employer to give notice of the employee's right to request a protective order from the Board.</p>
<p>Section 12 adds a new section, AS 23.30.108</p>	<p>Requires decisions concerning medical releases to be made in prehearing conferences by a Board designee, with a limited right of appeal to the Board for abuse of discretion.</p>	<p>Decisions concerning medical releases may be made in prehearing conferences or by the Board in a hearing. The Board reviews prehearing release decisions under a "preponderance of the evidence" standard.</p>
<p>Section 13 adds a new subsection, AS 23.30.110(h)</p>	<p>Restarts a two-year statute of limitations on an employee's right to pursue a claim, whenever the Board continues or cancels a hearing. This changes the law from the Alaska Supreme Court decisions in <u>Tipton v. ARCO</u> and <u>Huston v. Coho</u>.</p>	<p>The Alaska Supreme Court decided in the <u>Tipton</u> and <u>Huston</u> cases, that a request for a hearing completely stops the running of .110(c), the two-year statute of limitations on an employee's right to pursue a claim.</p>
<p>Section 14 adds a new subsection, AS 23.30.155(p)</p>	<p>Requires interest on late benefits to be paid at the rate used by the Alaska courts (3% above the January 2d prime).</p>	<p>Interest on late benefits are paid at the rate of 10.5 % under A S 45.45.010.</p>

<p>Section 15 amends AS 23.30.175(a)</p>	<p>Ties future maximum and minimum weekly compensation rates to the Alaska average weekly wage rate of the year preceding the injury. The maximum compensation rate would be 122% of the Alaska average weekly wage rate, and the minimum compensation rate would be 22% of the maximum compensation rate.</p>	<p>Maximum weekly compensation rate is \$700 per week. Minimum compensation rate is \$154/\$110.</p>
<p>Section 16 adds a new section, AS 23.30.175(d)</p>	<p>Requires the annual determination of Alaska average weekly wage.</p>	<p>N/A</p>
<p>Section 17 amends AS 23.30.190(a)</p>	<p>Increases the whole-person value for permanent partial impairment ratings to \$177,000.</p>	<p>The whole-person value for a permanent partial impairment rating is \$135,000.</p>
<p>Section 18 amends AS 23.30.215(a)</p>	<p>Increases funeral expense benefits to \$3,300.</p>	<p>Funeral expense benefits are \$2,500.</p>
	<p>It increases the combined benefits for a widow / widower with one child to 90% of the spendable weekly wage.</p>	<p>Combined benefits for a widow/widower with one child are 80% of the spendable weekly wage.</p>
	<p>It increases the combined benefits of a widow/widower with two children to 100% of the spendable weekly wage.</p>	<p>The combined benefits of a widow/widower with two children are 80% of the spendable weekly wage.</p>
	<p>It increases the benefits of orphans to 100% of the spendable weekly wage.</p>	<p>The benefits of orphans are 80% of the spendable weekly wage.</p>
<p>Section 19 amends AS 23.30.220(a)</p>	<p>Incorporates overtime wages into the calculation of an employee's gross weekly wages.</p>	<p>Overtime and premium pay are excluded from the calculation of an employee's gross weekly wages.</p>

It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the 12 months immediately preceding the injury.

It bases the calculation of seasonal and temporary workers' gross weekly wages on earnings from the calendar year preceding the calendar year of injury.

# ALASKA

## LABOR-MANAGEMENT AD HOC COMMITTEE ON WORKERS' COMPENSATION

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February 1, 2000

The Honorable Norman Rokeberg  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Rokeberg:

The Alaska Labor-Management Ad Hoc Committee on Workers' Compensation is in its eighteenth year of service as a private citizen initiative group formed to fairly address concerns in regard to the Alaska Workers' Compensation system. It was through the efforts of the Ad Hoc Committee that major legislative reform was passed in 1988 and as well as continuing reform in 1995. Those measures have helped to stabilize the Workers' Compensation system for employers and employees .

The Ad Hoc Committee has been meeting again in an attempt to work through some issues related to workers' compensation. We have recently reached a resolution on several key items that form the basis of our proposed 2000 legislation. Our proposed legislation has had a preliminary review by the Division of Workers' Compensation. A summary of items in the bill is attached. Key elements of the bill include:

- Increases in basic benefits consistent with changes in wages. Future maximum and minimum weekly benefits will be tied to the average weekly wage.
- Increases to the maximum weekly benefit under the death benefit as the number of dependents increase.
- Expands wage calculations to include overtime wages.
- Increases the Vocational Rehabilitation Stipend from 60% to 70 % of the average weekly spendable wage.
- Enhances the Vocational Rehabilitation process by making the process more timely, avoiding duplication of benefits and setting a reasonable maximum time period to obtain benefits.

Representative Norman Rokeberg  
February 1, 2000  
Page 2

- Defines process and time frame in which to obtain reasonable medical releases.
- Clarifies a reasonable time frame in which a claim can be brought forward.

We thank you for your patience in allowing the Ad Hoc Committee to prepare our agreement and we look forward to your continued support in the future. Should you have any questions or require further information, do not hesitate to contact us.

Sincerely yours,

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Willem Van Hemert  
CRW Engineering Group

Sally Ann Carey  
Natchiq, Inc

Judy Peterson & Mary Shields  
Northwest Technical Services

John Garrett  
Alyeska Pipeline

---

Kevin Dougherty  
District Council of Laborers

Jim Robison  
Former Commissioner of Labor

John Giuchici  
International Brotherhood of Electrical Workers

David Ford  
Alaska Ironworkers

cc: Governor Tony Knowles  
Senator Jerry Mackie  
Senator Tim Kelly  
Representative Andrew Halcro

## LEGISLATIVE AGENDA – YEAR 2000

### MANAGEMENT

- Annual Updates – Medical Fee Schedule (09.30.070(a))
- Change Interest Rate to State Specified (095f)
- Medical Bill Payment Within 30 Days (095c)
- Clarification of Time Limitation on Bringing a Claim (110c)
- Reasonable Medical Releases (107a)
- Vocational Rehabilitation
  - Worker Right to Waive (041c)
  - Notice to Accept Re-Employment Benefit (041g)
  - Failure constitutes noncooperation (041n)
  - Transferable Skills (041h(2) / 041l)
  - Medical Stability by an Examining Physician (041h 7)
  - Wages Reduce Benefits Above TTD Limits (041K)
  - Credit for PPI if paid out lump sum (041k)
  - No PTD Benefits During Rehabilitation (041k)
  - 2- year limitation on requesting Voc Rehab (105a)

### LABOR

- Increase PPI - \$177,000 (190a)
- Increase Death Benefit to 100% (215a)
  - Increase Funeral Expense - \$3,300
- Wage Calculations to Include Overtime (220a)
- Establish Weekly Max at 120% of Average Weekly Wage (175a)
- Establish Weekly Min at 22% of Weekly Max (175a)
- Increase Rehabilitation Stipend to 70% (041k)
- Increase Vocational Rehab to \$13,300 (041l)
- Clarify Seasonal / Temporary Worker (220a)
  - Change to Model Act – Last 12 Months

Paul



Carolyn Pearl, CPCU  
State Relations Executive

(907) 465-2797  
Via Facsimile

February 2, 2000

Paul Grossi  
Director, Workers Compensation Division  
State of Alaska  
Department of Labor  
P.O. Box 25512  
Juneau, AK 99802-5512

Re: Proposed Alaska Benefit Changes

Dear Paul:

As you requested, NCCI has reviewed the impact of the workers compensation benefits changes under consideration in Alaska.

Based on the most recent information on the type, distribution and severity of injuries, and the nature of the proposed changes, we have determined that the impact of these changes on overall costs would be between 7.7% and 8.9%.

A number of the proposed changes are difficult to quantify, but could have an impact over time. The ultimate cost will depend on several factors including how any law change is enacted, interpreted and utilized.

I hope this information is helpful, however, please contact me if you have any questions, need additional information or if this proposal becomes legislation.

Sincerely,

Carolyn Pearl, CPCU  
State Relations Executive

DOL-WC  
JUNEAU FEB 08 2000

**HB**

**445**

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**Representative**  
**John J. Cowdery**

**Session:**  
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## HOUSE RULES COMMITTEE

### AGENDA

1. Call to Order - Secretary take the roll call.

~~2. First Item of Business: HB 362~~ Hold 362 for later meeting if necessary  
a. ~~Ask for motion to adopt LS1455/M as Working Document for a Rules CS~~  
b. ~~Rep. John Harris will explain the CS~~  
c. ~~Discussion/Amendments~~  
d. ~~Ask for motion to move CS from committee with individual recommendations~~

3. Second Item of Business: HB 445

- a. Ask for motion to adopt draft (number) as Working Document for a Rules CS
- b. Rep. Eldon Mulder will explain the CS
- c. Discussion/Amendments
- d. Ask for motion to move CS from committee with individual recommendations

4. Adjourn



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### *Committee on Finance*

Official Business

State Capitol  
Juneau, Alaska 99801-1182

### **BILL SUMMARY** **CS for HOUSE BILL 445(RULES)**

#### Rural School Construction and Planned Maintenance Pilot Program

HOUSE BILL 445 authorizes a pilot program designed to create efficacy in design, firm price proposals and prompt, timely completion of school construction projects in rural Alaska.

It calls for collaboration between community and local school district input, Department of Education and Early Development priorities, State of Alaska public financing methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

House Bill 445 also addresses the need for developing a meaningful maintenance plan for the new facilities and training for maintenance workers.

The school construction and planned maintenance pilot program will be established and implemented by the Department of Education and Early Development. The department, through a request for proposals, will use a qualifications-based process to select private sector developers.

The department must obtain the best value to the state in terms of proposed methodologies to reduce capital construction costs, timely delivery schedules with developer guarantees, local hire programs, post construction maintenance plan and utilization of existing planning and design elements.

At the end of this meeting, ~~the~~<sup>MARCO</sup> suggests  
you should recess instead of adjourning so we  
can take HB 362 up later if we wish.

**CS FOR HOUSE BILL NO. 445(245)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a rural school construction and planned maintenance pilot  
2 program; and providing for an effective date."

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

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 **LEGISLATIVE FINDING AND INTENT.** (a) The legislature finds that traditional  
7 procurement techniques may be improved and <sup>B</sup> ~~do not address~~ <sup>2/15/07</sup> ongoing maintenance and  
8 maintenance training.

9 (b) It is the intent of the legislature to

10 (1) collaborate with the Department of Education and Early Development to  
11 meet capital improvement project needs and create a pilot project program combining private  
12 sector development techniques with public procurement; and

13 (2) create a program that can lead to efficacy in design, firm price proposals,  
14 and prompt, timely project completion on ongoing maintenance and maintenance training.

1 \* Sec. 2. AS 14.11.020 is amended by adding a new subsection to read:

2 (e) This section does not apply to a school construction project described under  
3 AS 14.11.030.

4 \* Sec. 3. AS 14.11 is amended by adding a new section to read:

5 **Sec. 14.11.030. Rural school construction and planned maintenance pilot**  
6 **program.** (a) The department shall establish a rural school construction and planned  
7 maintenance pilot program for the purpose of building educational facilities.

8 (b) The department shall implement the pilot program required in (a) of this  
9 section by contracting with a private sector entity or entities selected through a request  
10 for proposals process. The request for proposals required under this subsection must

11 (1) solicit proposals for development of at least one school construction  
12 project, but not more than two-thirds of all school construction projects, funded for  
13 construction in fiscal year 2001 and located within rural educational attendance areas;

14 (2) allow a responder to propose development of single or multiple  
15 schools; and

16 (3) retain design professionals of record.

17 (c) Requests for proposals under this section must address the following  
18 components:

19 (1) financial management;

20 (2) design methodologies;

21 (3) construction methodologies;

22 (4) a maintenance plan;

23 (5) a training plan; and

24 (6) local participation.

25 (d) Requests for proposals issued by the department under this section must  
26 use a qualifications-based selection process. Under this subsection the criteria for  
27 evaluation and selection must be based on

28 (1) proposed methodologies to reduce capital construction costs,  
29 establish timely completion schedules, and provide a facility maintenance plan for a  
30 period of time following completion; and

31 (2) qualifications and experience to accomplish the criteria set out in

1 (1) of this subsection.

2 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section  
3 to read:

4 EVALUATION. The Department of Education and Early Development shall evaluate  
5 the school development projects described in AS 14.11.030, enacted by sec. 3 of this Act,  
6 compare them against other projects procured in a conventional manner, and make  
7 recommendations as to whether rural school construction and planned maintenance pilot  
8 program shall continue.

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

*NOTE: See TO L-9 Annual  
Annual Prog TO L-9*

**CS FOR HOUSE BILL NO. 445(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/13/00**  
**Referred: Rules**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a rural school construction and planned maintenance pilot**  
2 **program; and providing for an effective date."**

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

4 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 **LEGISLATIVE FINDING AND INTENT.** (a) The legislature finds that traditional  
7 procurement techniques are often too slow and lead to cost overruns.

8 (b) It is the intent of the legislature to

9 (1) collaborate with the Department of Education and Early Development to  
10 meet capital improvement project needs and create a pilot project program combining private  
11 sector development techniques with public procurement; and

12 (2) create a program that can lead to efficacy in design, firm price proposals,  
13 and prompt, timely project completion.

14 **\* Sec. 2.** AS 14.11.020 is amended by adding a new subsection to read:

1 (e) This section does not apply to a school construction project described under  
2 AS 14.11.030.

3 \* **Sec. 3.** AS 14.11 is amended by adding a new section to read:

4 **Sec. 14.11.030. Rural school construction and planned maintenance pilot**  
5 **program.** (a) The department shall establish a rural school construction and planned  
6 maintenance pilot program for the purpose of building educational facilities.

7 (b) The department shall implement the pilot program required in (a) of this  
8 section by contracting with private sector developers selected through a request for  
9 proposals process. The request for proposals required under this subsection must

10 (1) solicit proposals for the development of each school construction  
11 project funded for construction in fiscal year 2001 and located within rural educational  
12 attendance areas; and

13 (2) allow a responder to propose development of single or multiple  
14 schools.

15 (c) Requests for proposals issued by the department under this section must  
16 use a qualifications-based selection process. Criteria for evaluation and selection must  
17 be based on

18 (1) obtaining the best value to the state in terms of containment of cost  
19 overruns and a guarantee of a firm fixed price, firm fixed delivery schedule with  
20 developer guarantees, local hire programs, post construction maintenance plan, and  
21 utilization of existing planning and design elements;

22 (2) qualifications and experience in

23 (A) acting as a turnkey developer;

24 (B) completing projects in rural Alaska;

25 (C) development of schools;

26 (D) financial matters;

27 (E) facility management and maintenance;

28 (3) proposed methodologies to reduce capital construction costs,  
29 establish timely completion schedules, and provide a private sector facility maintenance  
30 plan for a period of time following completion.

31 \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

No: 1

Bill Version: CSHB 445 (FIN)

(H) Publish Date: 4/13/00

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: School Construction Program  
 \_\_\_\_\_  
 Sponsor: House Finance Committee  
 Requester: \_\_\_\_\_

Dept. Affected Education & Early Development  
 BRU Education Support Services  
 Component Education Facilities Support  
 \_\_\_\_\_  
 Component Serial No. 1957

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY98) cost: \_\_\_\_\_

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Eldon Mulder  
 Rep. Eldon Mulder, Co-Chair House Finance Committee  
Gene Therriault  
 Rep. Gene Therriault, Co-Chair House Finance Committee

Phone 465-2647  
 Phone 465-4797  
 Date 4/11/00

COMMITTEE COPY

# Bill History/Action Display



BILL: HB 445                      SHORT TITLE: SCHOOL CONSTRUCTION PROGRAM  
 BILL VERSION:  
 SPONSOR(S): FINANCE

CURRENT STATUS: (H) RLS                      STATUS DATE: 4/13/00

TITLE: "An Act relating to a rural school construction and planned maintenance pilot program; and providing for an effective date."

[Full Text](#) Detailed 2000 fiscal note information currently not available on-line.

## Bill History

Jrn-Date	Jrn-Page	Action
4/07/00	<a href="#">2920</a>	(H) READ THE FIRST TIME - REFERRALS
4/07/00	<a href="#">2920</a>	(H) FIN
4/11/00	<a href="#">Text</a>	(H) FIN AT 3:00 PM HOUSE FINANCE 519
4/11/00	<a href="#">Text</a>	(H) Heard & Held
4/12/00	<a href="#">Text</a>	(H) FIN AT 1:30 PM HOUSE FINANCE 519
4/12/00	<a href="#">Text</a>	(H) Moved CSHB 445(FIN) Out of Committee
4/13/00	<a href="#">3109</a>	(H) FIN RPT CS(FIN) 5DP 5NR
4/13/00	<a href="#">3109</a>	(H) DP: MULDER, AUSTERMAN, DAVIS, WILLIAMS,
4/13/00	<a href="#">3109</a>	(H) PHILLIPS; NR: BUNDE, DAVIES,
4/13/00	<a href="#">3109</a>	(H) GRUSSENDORF, MOSES, FOSTER
4/13/00	<a href="#">3109</a>	(H) ZERO FISCAL NOTE (H.FIN/DOE)
4/13/00	<a href="#">3110</a>	(H) REFERRED TO RULES

[Similar Subject Match](#) or [Exact Subject Match](#)

[CAPITAL PROJECTS](#)

[CONSTRUCTION](#)

[EDUCATION](#)

[SCHOOL DISTRICTS](#)

[UNORGANIZED BOROUGH](#)

Bill Root:

[Return to BASIS Main Menu\(21st Legislature\)](#)

[Return to the Legislature Home Page](#)

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Please use your 'Reload' button to update this page.

REPRESENTATIVE  
**GENE THERRIALT**

Co-Chair  
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INTERIM ADDRESS  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271

**Alaska State Legislature**  
**House Finance Committee**



State Capitol, Juneau, Alaska 99801-1182

REPRESENTATIVE  
**ELDON MULDER**

Co-Chair  
(907) 465-2647  
Fax: (907) 465-3518

INTERIM ADDRESS  
716 W 4th Ave., Suite 310  
Anchorage, Alaska 99501  
(907) 269-0265  
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**BILL SUMMARY**  
**CS for HOUSE BILL 445(FIN)**

**Rural School Construction and Planned Maintenance Pilot Program**

HOUSE BILL 445 authorizes a pilot program designed to create efficacy in design, firm price proposals and prompt, timely completion of school construction projects in rural Alaska.

It calls for collaboration between community and local school district input, Department of Education and Early Development priorities, State of Alaska public financing methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

House Bill 445 also addresses the need for developing a meaningful maintenance plan for the new facilities and training for maintenance workers.

The school construction and planned maintenance pilot program will be established and implemented by the Department of Education and Early Development. The department, through a request for proposals, will use a qualifications-based process to select private sector developers.

The department must obtain the best value to the state in terms of containment of cost overruns and a guarantee of a firm fixed price, firm fixed delivery schedule with developer guarantees, local hire programs, post construction maintenance plan and utilization of existing planning and design elements.

-----  
Subject: [Fwd: HB 445 Rural School Construction]  
Date: Tue, 18 Apr 2000 14:41:14 -0800  
From: epresentative Eldon Mulder  
      <Representative\_Eldon\_Mulder@legis.state.ak.us>  
To: Dale\_Anderson@legis.state.ak.us

Subject: HB 445 Rural School Construction  
Date: Tue, 18 Apr 2000 13:16:45 -0800  
From: "Monty Montgomery" <monty@agcak.org>  
To: "'Mulder, Representative Eldon'"  
      <Representative\_Eldon\_Mulder@legis.state.ak.us>  
CC: "'Frey, Mano'" <laborers@alaska.net>, "'Shaub, Thyes'" <thyes@aol.com>,  
      "'Argetsinger, David'" <arget@ptialaska.net>,  
      "'Barnes, Jack'" <aksigbar@alaska.net>,  
      "'Casper, Pete'" <tssp@worldnet.att.net>,  
      "'Cattanach, Dick'" <dick@agcak.org>,  
      "'Dokoozian, Jim'" <jdokoozian@dokoozian.com>,  
      "'Fike, Terry'" <tfike@alcangeneral.com>,  
      "'Forest, Alain'" <alypaint@alaska.net>,  
      "'Haugen, Dave'" <daveh@lynden.com>,  
      "'Horschel, Roxanna'" <acmepp@corecom.net>,  
      "'Imig, Kurt'" <imig\_ku@willis.com>,  
      "'Jones, Sr., Bill'" <nwconstructors@nwconstructors.com>,  
      "'Landers, Chuck'" <clanders@pobox.alaska.net>,  
      "'Leary, Linda'" <lleary@carlilekw.com>,  
      "'Miller, Mike'" <mdm.mbcontracting@alaska.com>,  
      "'Pruhs, Dana'" <alaska@pruhscorp.com>,  
      "'Reilly, Pat'" <rainproof@alaska.net>,  
      "'Salvucci, Pat'" <psalvucc@ribelinlowell.com>,  
      "'Shake, Bob'" <shake.bob@nrim.com>,  
      "'Springer, Henry'" <oksun@gci.net>,  
      "'Swalling, F.M.'" <mswalling@swalling.com>,  
      "'Walsh, Sharen'" <sharenw@osborne.cc>,  
      "'Ward, Robyn'" <75220.2117@compuserve.com>,  
      "'Wheatley, John'" <jwheatley@aesbrokers.com>

A meeting was held today at the Anchorage AGC Building between architects, engineers, designers, and contractors representing the Alaska construction industry to review and comment on HB 445 -- Rural School Construction. This group mutually agree that HB 445 should be amended as identified in the attached.

The following representatives were present:

Dick Cattanach	AGC of Alaska
Monty Montgomery	AGC of Alaska
Terry Fike	Alcan General, Inc.
Roxanna Horschel	ACME Fence Co.
Kenneth Maynard	USKH
Jon Stolle	AIA Alaska
Sam Kito III	APDC
Mark Pfeffer	KPB
Derald Schoon	Unit Company
John Wheatley	American E & S



**Bill Summary**  
**HB 445**  
**Rural School Construction and Planned Maintenance Pilot Program**

The pilot program authorized by HB 445 will combine community input, design, construction, public financing and an ongoing maintenance program to address rural school needs in the most effective manner.

It will combine public sector (State of Alaska) priority needs and finance methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

In order to prevent the maintenance problems which have occurred throughout Alaska in the past, HB 445 calls for a long-term solution in the RFP process.

HB 445 establishing the pilot program will place emphasis on accountability at the start of the delivery process. All architects and contractors will be in the same place they have always been. They simply will need to work with a single point of contact (construction project manager) to reduce costs, provide a firm fixed cost and firm fixed schedule. The construction project manager will be responsible (not the architect, not the contractor) to provide guarantees to the state that they will meet their responsibilities.

The projects that would be built under HB 445 already have architects. That would not change. Contracts for general construction will be competitively awarded through a qualifications and bidding process. Appropriateness of final cost will be verified by the State of Alaska. No qualified provider of construction services will be denied the opportunity to provide services.

HB 445 calls for local hire programs, compliance with all labor laws and a planned maintenance program. Additionally, the bill calls for a plan to provide for continuing maintenance programs.

**Interim:**  
716 West 4<sup>th</sup> Ave., Suite  
320 Anchorage, AK 99501

Phone: 907-269-0222  
Fax: 907-269-0223  
Toll Free: 1-888-269-3879



**Representative  
John J. Cowdery**  
Chairman  
House Rules  
Committee

**Session:**  
State Capitol Bldg., Suite  
204  
Juneau, AK 99801

Phone: 907-465-3879  
Fax: 907-465-2069  
Toll Free: 1-888-269-3879

DATE: April 15, 2000

TO: House Rules Committee Members

FROM: Representative John J. Cowdery  
House Rules Committee

RE: Rules Committee Meeting

CC: Speaker Porter, Representative Green, Representative Phillips,  
Representative Kott, Representative Berkowitz, Representative Joule

---

The House Rules Committee will have a scheduled committee meeting  
at the following time:

**Monday  
April 17, 2000  
4:00 PM  
House Judiciary Room #120**

**HB 445  
School Construction Program**

HOUSE BILL NO. 445

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 4/7/00

Referred: Finance

*Approved by  
Architects  
Design Professionals  
AGC  
Engineer's Society  
Kona Pfeiffer + Bethis*

A BILL

FOR AN ACT ENTITLED

"An Act relating to a rural school construction and planned maintenance pilot program; and providing for an effective date "

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

\* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDING AND INTENT. (a) The legislature finds that traditional procurement techniques may be improved and do not address on going maintenance and maintenance training.

(b) It is the intent of the legislature to

(1) collaborate with the Department of Education and Early Development to meet capital improvement project needs and create a pilot project program combining private sector development techniques with public procurement; and

(2) create a program that can lead to efficacy in design, firm price proposals, and prompt, timely project completion on going maintenance and maintenance training.

\* **Sec. 2.** AS 14.11.020 is amended by adding a new subsection to read:

(e) This section does not apply to a school construction project described under AS 14.11.030.

\* **Sec. 3.** AS 14.11 is amended by adding a new section to read:

**Sec. 14.11.030. Rural school construction and planned maintenance pilot program.** (a) The department shall establish a rural school construction and planned maintenance pilot program for the purpose of building educational facilities.

(b) The department shall implement the pilot program required in (a) of this section by contracting with a private sector entity or entities selected through a request for proposals process. The request for proposals required under this subsection must:

(1) solicit proposals for development of at least 1 but not more than 2/3 of all school construction projects funded for construction in fiscal year 2001 and located within rural educational attendance areas.

(2) allow a responder to propose development of single or multiple schools.

(3) retain ~~existing~~ design professionals of record.

(c) Requests for proposals issued by the department under this section must use a qualifications-based selection process. Criteria for evaluation and selection must be based on

(1) proposed methodologies to reduce capital construction costs, establish timely completion schedules, and provide a facility maintenance plan for a period of time following completion. Proposal will address:

- (a) financial management
- (b) design methodologies
- (c) construction methodologies
- (d) maintenance plan
- (e) training plan
- (f) local participation

(2) qualifications and experience to accomplish the above criteria.

\* **Sec. 4. Evaluation:** As this is a pilot program, the DOE shall be charged with evaluating the projects and comparing them against other projects procured in the conventional manner, and making recommendations as to whether this pilot program shall continue.

\* **Sec 5.** This Act takes effect immediately under AS 01.10.070(c).

Rep. John Cowdery  
Rep. Eldon Mulder

April 15, 2000

RE: HB 445 -- Rural School Construction

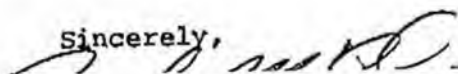
Although not in my area of specific construction interest, the AGC alerted me to their concerns with HB 445. I feel very strongly that the public's best interest is served by open, competitive bidding for public construction projects. I acknowledge that competitive bidding is not a perfect system -- until you consider the alternatives in the public sector.

In reading HB 445 in the version presented to me, it appears that it has been drafted to provide for an un-named, but single, sole source entity to construct all the rural school construction for Fiscal 2001 and beyond.

I cannot help but be reminded of the Louie Dishner/Blackstock days of rigged rural public construction of a few years ago. I hope that is not what you intend with HB 445. If not, please amend it to allow for open, ~~comp~~petitive participation for all objectively qualified constructors.

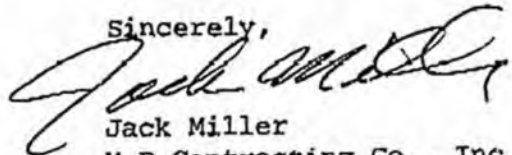
Personally, I think the Bill should be stopped, pending a thorough discussion and resolve with the industry involved in that type construction. Certainly what is being proposed will not be economically efficient for the State of Alaska.

Sincerely,



construction. Certainly what is being proposed will not be  
economically efficient for the State of Alaska.

Sincerely,



Jack Miller  
M-B Contracting Co., Inc.  
7101 DeBarr Rd  
Anchorage, AK 99504  
ph 907 333 5527  
fx 907 333 5871

cc: AGC Alaska

**CS FOR HOUSE BILL NO. 445(245)**

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

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a rural school construction and planned maintenance pilot  
2 program; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 LEGISLATIVE FINDING AND INTENT. (a) The legislature finds that traditional  
7 procurement techniques may be improved <sup>by</sup> ~~and do not~~ address <sup>ing</sup> ongoing maintenance and  
8 maintenance training.

9 (b) It is the intent of the legislature to

10 (1) collaborate with the Department of Education and Early Development to  
11 meet capital improvement project needs and create a pilot project program combining private  
12 sector development techniques with public procurement; and

13 (2) create a program that can lead to efficacy in design, firm price proposals,  
14 and prompt, timely project completion on ongoing maintenance and maintenance training.

1 \* **Sec. 2.** AS 14.11.020 is amended by adding a new subsection to read:

2 (e) This section does not apply to a school construction project described under  
3 AS 14.11.030.

4 \* **Sec. 3.** AS 14.11 is amended by adding a new section to read:

5 **Sec. 14.11.030. Rural school construction and planned maintenance pilot**  
6 **program.** (a) The department shall establish a rural school construction and planned  
7 maintenance pilot program for the purpose of building educational facilities.

8 (b) The department shall implement the pilot program required in (a) of this  
9 section by contracting with a private sector entity or entities selected through a request  
10 for proposals process. The request for proposals required under this subsection must

11 (1) solicit proposals for development of at least one school construction  
12 project, but not more than two-thirds of all school construction projects, funded for  
13 construction in fiscal year 2001 and located within rural educational attendance areas;

14 (2) allow a responder to propose development of single or multiple  
15 schools; and

16 (3) retain design professionals of record.

17 (c) Requests for proposals<sup>1</sup> under this section must address the following  
18 components:

19 (1) financial management;

20 (2) design methodologies;

21 (3) construction methodologies;

22 (4) a maintenance plan;

23 (5) a training plan; and

24 (6) local participation.

25 (d) Requests for proposals issued by the department under this section must  
26 use a qualifications-based selection process. Under this subsection the criteria for  
27 evaluation and selection must be based on

28 (1) proposed methodologies to reduce capital construction costs,  
29 establish timely completion schedules, and provide a facility maintenance plan for a  
30 period of time following completion; and

31 (2) qualifications and experience to accomplish the criteria set out in

1 (1) of this subsection.

2 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section  
3 to read:

4 EVALUATION. The Department of Education and Early Development shall evaluate  
5 the school development projects described in AS 14.11.030, enacted by sec. 3 of this Act,  
6 compare them against other projects procured in a conventional manner, and make  
7 recommendations <sup>to the legislature</sup> as to whether rural school construction and planned maintenance pilot  
8 program shall continue.

*annual*

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

~~and annually make progress reports  
with recommendations to the legislature~~

ADOPTED AS WRITTEN

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOULE

TO: CSHB 445(RLS)

Page 2, line 10, following "process.":

Insert "In developing the request for proposals, the department shall consult with the governing body of each regional educational attendance area in which a rural school affected by the request for proposals is located."

**CS FOR HOUSE BILL NO. 445~~(et)~~**

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

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a rural school construction and planned maintenance pilot  
2 program; and providing for an effective date."

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

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 **LEGISLATIVE FINDING AND INTENT.** (a) The legislature finds that traditional  
7 procurement techniques may be improved <sup>by</sup> ~~and do not~~ address <sup>ing</sup> ongoing maintenance and  
8 maintenance training.

9 (b) It is the intent of the legislature to

10 (1) collaborate with the Department of Education and Early Development to  
11 meet capital improvement project needs and create a pilot project program combining private  
12 sector development techniques with public procurement; and

13 (2) create a program that can lead to efficacy in design, firm price proposals,  
14 and prompt, timely project completion on ongoing maintenance and maintenance training.

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\* Sec. 2. AS 14.11.020 is amended by adding a new subsection to read:

(e) This section does not apply to a school construction project described under AS 14.11.030.

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**Sec. 14.11.030. Rural school construction and planned maintenance pilot program.** (a) The department shall establish a rural school construction and planned maintenance pilot program for the purpose of building educational facilities.

(b) The department shall implement the pilot program required in (a) of this section by contracting with a private sector entity or entities selected through a request for proposals process. The request for proposals required under this subsection must

(1) solicit proposals for development of at least one school construction project, but not more than two-thirds of all school construction projects, funded for construction in fiscal year 2001 and located within rural educational attendance areas;

(2) allow a responder to propose development of single or multiple schools; and

(3) retain design professionals of record.

(c) Requests for proposals under this section must address the following components:

(1) financial management;

(2) design methodologies;

(3) construction methodologies;

(4) a maintenance plan;

(5) a training plan; and

(6) local participation.

(d) Requests for proposals issued by the department under this section must use a qualifications-based selection process. Under this subsection the criteria for evaluation and selection must be based on

(1) proposed methodologies to reduce capital construction costs, establish timely completion schedules, and provide a facility maintenance plan for a period of time following completion; and

(2) qualifications and experience to accomplish the criteria set out in

L

1 (1) of this subsection.

2 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section  
3 to read:

4 EVALUATION. The Department of Education and Early Development shall evaluate  
5 the school development projects described in AS 14.11.030, enacted by sec. 3 of this Act,  
6 compare them against other projects procured in a conventional manner, and make  
7 recommendations <sup>to the legislature</sup> as to whether rural school construction and planned maintenance pilot  
8 program shall continue.

*annual*

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

~~and annually make progress reports  
with recommendations to the legislature~~

ADOPTED AS WRITTEN

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOULE

TO: CSHB 445(RLS)

Page 2, line 10, following "process.":

Insert "In developing the request for proposals, the department shall consult with the governing body of each regional educational attendance area in which a rural school affected by the request for proposals is located."

**CS FOR HOUSE BILL NO. 445(245)**

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

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a rural school construction and planned maintenance pilot**  
2 **program; and providing for an effective date."**

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

4 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 **LEGISLATIVE FINDING AND INTENT.** (a) The legislature finds that traditional  
7 procurement techniques may be improved <sup>by</sup> ~~and do not~~ address <sup>ing</sup> ongoing maintenance and  
8 maintenance training.

9 (b) It is the intent of the legislature to

10 (1) collaborate with the Department of Education and Early Development to  
11 meet capital improvement project needs and create a pilot project program combining private  
12 sector development techniques with public procurement; and

13 (2) create a program that can lead to efficacy in design, firm price proposals,  
14 and prompt, timely project completion on ongoing maintenance and maintenance training.

1 \* Sec. 2. AS 14.11.020 is amended by adding a new subsection to read:

2 (e) This section does not apply to a school construction project described under  
3 AS 14.11.030.

4 \* Sec. 3. AS 14.11 is amended by adding a new section to read:

5 **Sec. 14.11.030. Rural school construction and planned maintenance pilot**  
6 **program.** (a) The department shall establish a rural school construction and planned  
7 maintenance pilot program for the purpose of building educational facilities.

8 (b) The department shall implement the pilot program required in (a) of this  
9 section by contracting with a private sector entity or entities selected through a request  
10 for proposals process. The request for proposals required under this subsection must

11 (1) solicit proposals for development of at least one school construction  
12 project, but not more than two-thirds of all school construction projects, funded for  
13 construction in fiscal year 2001 and located within rural educational attendance areas;

14 (2) allow a responder to propose development of single or multiple  
15 schools; and

16 (3) retain design professionals of record.

17 (c) Requests for proposals under this section must address the following  
18 components:

- 19 (1) financial management;
- 20 (2) design methodologies;
- 21 (3) construction methodologies;
- 22 (4) a maintenance plan;
- 23 (5) a training plan; and
- 24 (6) local participation.

25 (d) Requests for proposals issued by the department under this section must  
26 use a qualifications-based selection process. Under this subsection the criteria for  
27 evaluation and selection must be based on

28 (1) proposed methodologies to reduce capital construction costs,  
29 establish timely completion schedules, and provide a facility maintenance plan for a  
30 period of time following completion; and

31 (2) qualifications and experience to accomplish the criteria set out in

1 (1) of this subsection.

2 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section  
3 to read:

4 EVALUATION. The Department of Education and Early Development shall evaluate  
5 the school development projects described in AS 14.11.030, enacted by sec. 3 of this Act,  
6 compare them against other projects procured in a conventional manner, and make  
7 recommendations <sup>to the legislature</sup> as to whether rural school construction and planned maintenance pilot  
8 program shall continue.

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

*annual*

~~and annually make progress reports  
with recommendations to the legislature~~

ADOPTED AS WRITTEN

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOULE

TO: CSHB 445(RLS)

Page 2, line 10, following "process.":

Insert "In developing the request for proposals, the department shall consult with the governing body of each regional educational attendance area in which a rural school affected by the request for proposals is located."

**CS FOR HOUSE BILL NO. 445(24)**

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

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to a rural school construction and planned maintenance pilot  
2 program; and providing for an effective date."

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

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new  
5 section to read:

6 **LEGISLATIVE FINDING AND INTENT.** (a) The legislature finds that traditional  
7 procurement techniques may be improved and do not address ongoing maintenance and  
8 maintenance training.

9 (b) It is the intent of the legislature to

10 (1) collaborate with the Department of Education and Early Development to  
11 meet capital improvement project needs and create a pilot project program combining private  
12 sector development techniques with public procurement; and

13 (2) create a program that can lead to efficacy in design, firm price proposals,  
14 and prompt, timely project completion on ongoing maintenance and maintenance training.

1 \* **Sec. 2.** AS 14.11.020 is amended by adding a new subsection to read:

2 (e) This section does not apply to a school construction project described under  
3 AS 14.11.030.

4 \* **Sec. 3.** AS 14.11 is amended by adding a new section to read:

5 **Sec. 14.11.030. Rural school construction and planned maintenance pilot**  
6 **program.** (a) The department shall establish a rural school construction and planned  
7 maintenance pilot program for the purpose of building educational facilities.

8 (b) The department shall implement the pilot program required in (a) of this  
9 section by contracting with a private sector entity or entities selected through a request  
10 for proposals process. The request for proposals required under this subsection must

11 (1) solicit proposals for development of at least one school construction  
12 project, but not more than two-thirds of all school construction projects, funded for  
13 construction in fiscal year 2001 and located within rural educational attendance areas;

14 (2) allow a responder to propose development of single or multiple  
15 schools; and

16 (3) retain design professionals of record.

17 (c) Requests for proposals under this section must address the following  
18 components:

19 (1) financial management;

20 (2) design methodologies;

21 (3) construction methodologies;

22 (4) a maintenance plan;

23 (5) a training plan; and

24 (6) local participation.

25 (d) Requests for proposals issued by the department under this section must  
26 use a qualifications-based selection process. Under this subsection the criteria for  
27 evaluation and selection must be based on

28 (1) proposed methodologies to reduce capital construction costs,  
29 establish timely completion schedules, and provide a facility maintenance plan for a  
30 period of time following completion; and

31 (2) qualifications and experience to accomplish the criteria set out in

1 (1) of this subsection.

2 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section  
3 to read:

4 EVALUATION. The Department of Education and Early Development shall evaluate  
5 the school development projects described in AS 14.11.030, enacted by sec. 3 of this Act,  
6 compare them against other projects procured in a conventional manner, and make  
7 recommendations as to whether rural school construction and planned maintenance pilot  
8 program shall continue.

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

Bill Version: CSHB 445 (FIN)

(H) Publish Date: 4/13/00

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: School Construction Program  
Sponsor: House Finance Committee  
Requester: \_\_\_\_\_

Dept. Affected Education & Early Development  
BRU Education Support Services  
Component Education Facilities Support

Component Serial No. 1957

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

CHANGE IN REVENUES [ ]						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

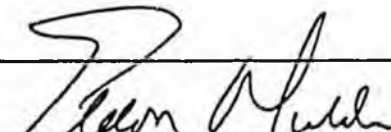
Estimate of any current year (FY98) cost: \_\_\_\_\_

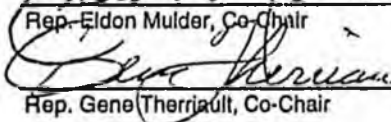
POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by

  
Rep. Eldon Mulder, Co-Chair House Finance Committee

  
Rep. Gene Theriault, Co-Chair House Finance Committee

Phone 465-2647

Phone 465-4797

Date 4/11/00

COMMITTEE COPY

# Bill History/Action Display



BILL: HB 445                      SHORT TITLE: SCHOOL CONSTRUCTION PROGRAM  
 BILL VERSION:  
 SPONSOR(S): FINANCE

CURRENT STATUS: (H) RLS                                      STATUS DATE: 4/13/00

TITLE: "An Act relating to a rural school construction and planned maintenance pilot program; and providing for an effective date."

Full Text Detailed 2000 fiscal note information currently not available on-line.

Bill History

Jrn-Date	Jrn-Page	Action
4/07/00	<u>2920</u>	(H) READ THE FIRST TIME - REFERRALS
4/07/00	<u>2920</u>	(H) FIN
4/11/00	<u>Text</u>	(H) FIN AT 3:00 PM HOUSE FINANCE 519
4/11/00	<u>Text</u>	(H) Heard & Held
4/12/00	<u>Text</u>	(H) FIN AT 1:30 PM HOUSE FINANCE 519
4/12/00	<u>Text</u>	(H) Moved CSHB 445(FIN) Out of Committee
4/13/00	<u>3109</u>	(H) FIN RPT CS(FIN) 5DP 5NR
4/13/00	<u>3109</u>	(H) DP: MULDER, AUSTERMAN, DAVIS, WILLIAMS,
4/13/00	<u>3109</u>	(H) PHILLIPS; NR: BUNDE, DAVIES,
4/13/00	<u>3109</u>	(H) GRUSSENDORF, MOSES, FOSTER
4/13/00	<u>3109</u>	(H) ZERO FISCAL NOTE (H.FIN/DOE)
4/13/00	<u>3110</u>	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

- CAPITAL PROJECTS
- CONSTRUCTION
- EDUCATION
- SCHOOL DISTRICTS
- UNORGANIZED BOROUGH

Bill Root:

Return to BASIS Main Menu(21st Legislature)  
Return to the Legislature Home Page  
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*Alaska State Legislature*  
*House Finance Committee*

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State Capitol, Juneau, Alaska 99801-1182

**BILL SUMMARY**  
**CS for HOUSE BILL 445(FIN)**

**Rural School Construction and Planned Maintenance Pilot Program**

HOUSE BILL 445 authorizes a pilot program designed to create efficacy in design, firm price proposals and prompt, timely completion of school construction projects in rural Alaska.

It calls for collaboration between community and local school district input, Department of Education and Early Development priorities, State of Alaska public financing methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

House Bill 445 also addresses the need for developing a meaningful maintenance plan for the new facilities and training for maintenance workers.

The school construction and planned maintenance pilot program will be established and implemented by the Department of Education and Early Development. The department, through a request for proposals, will use a qualifications-based process to select private sector developers.

The department must obtain the best value to the state in terms of containment of cost overruns and a guarantee of a firm fixed price, firm fixed delivery schedule with developer guarantees, local hire programs, post construction maintenance plan and utilization of existing planning and design elements.

-----  
Subject: [Fwd: HB 445 Rural School Construction]  
Date: Tue, 18 Apr 2000 14:41:14 -0800  
From: epresentative Eldon Mulder  
<Representative\_Eldon\_Mulder@legis.state.ak.us>  
To: Dale\_Anderson@legis.state.ak.us

Subject: HB 445 Rural School Construction  
Date: Tue, 18 Apr 2000 13:16:45 -0800  
From: "Monty Montgomery" <monty@agcak.org>  
To: "'Mulder, Representative Eldon'"  
<Representative\_Eldon\_Mulder@legis.state.ak.us>  
CC: "'Frey, Mano'" <laborers@alaska.net>, "'Shaub, Thyes'" <thyes@aol.com>,  
"'Argetsinger, David'" <arget@ptialaska.net>,  
"'Barnes, Jack'" <aksigbar@alaska.net>,  
"'Casper, Pete'" <tssp@worldnet.att.net>,  
"'Cattanach, Dick'" <dick@agcak.org>,  
"'Dokoozian, Jim'" <jdokoozian@dokoozian.com>,  
"'Fike, Terry'" <tfike@alcangeneral.com>,  
"'Forest, Alain'" <alypaint@alaska.net>,  
"'Haugen, Dave'" <daveh@lynden.com>,  
"'Horschel, Roxanna'" <acmepp@corecom.net>,  
"'Imig, Kurt'" <imig\_ku@willis.com>,  
"'Jones, Sr., Bill'" <nwconstructors@nwconstructors.com>,  
"'Landers, Chuck'" <clanders@pobox.alaska.net>,  
"'Leary, Linda'" <lleary@carlilekw.com>,  
"'Miller, Mike'" <mdm.mbcontracting@alaska.com>,  
"'Pruhs, Dana'" <alaska@pruhscorp.com>,  
"'Reilly, Pat'" <rainproof@alaska.net>,  
"'Salvucci, Pat'" <psalvucc@ribelinlowell.com>,  
"'Shake, Bob'" <shake.bob@nrim.com>,  
"'Springer, Henry'" <oksun@gci.net>,  
"'Swalling, F.L.'" <mswalling@swalling.com>,  
"'Walsh, Sharen'" <sharenw@osborne.cc>,  
"'Ward, Robyn'" <75220.2117@compuserve.com>,  
"'Wheatley, John'" <jwheatley@aesbrokers.com>

A meeting was held today at the Anchorage AGC Building between architects, engineers, designers, and contractors representing the Alaska construction industry to review and comment on HB 445 -- Rural School Construction. This group mutually agree that HB 445 should be amended as identified in the attached.

The following representatives were present:

Dick Cattanach	AGC of Alaska
Monty Montgomery	AGC of Alaska
Terry Fike	Alcan General, Inc.
Roxanna Horschel	ACME Fence Co.
Kenneth Maynard	USKH
Jon Stolle	AIA Alaska
Sam Kito III	APDC
Mark Pfeffer	KPB
Derald Schoon	Unit Company
John Wheatley	American E & S

Dennis Berry

CECA

If you have any questions please give me a call at (907) 561-5354.

Sincerely,

ASSOCIATED GENERAL CONTRACTORS  
OF ALASKA

R.D. "Monty" Montgomery  
Assistant Executive Director  
Tel: (907) 561-5354 Fax: (907) 562-6118  
E-Mail: monty@agcak.org

-----  
Name: House Bill 445H.doc  
House Bill 445H.doc           Type: Winword File (application/msword)  
                                  Encoding: base64  
                                  Download Status: Not downloaded with message

**Rural Schools  
Capital Construction &  
Planned Maintenance  
Pilot Program**

This Pilot Program will combine community input, design, construction, private financing and an ongoing maintenance program to address rural school needs in the most effective manner.

It also will combine public sector (State of Alaska) priority needs and finance methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

A long-term Planned Maintenance Program will be included in the facility development process from the earliest stages of program and design development.

This Pilot Program will place an emphasis on accountability at the start of the delivery process.

**Primary  
Program  
Features**

*Meets DOE Programmatic and  
Selection Requirements*

The program will follow existing DOE selection criteria for establishing needs of rural schools and communities.

*5% Cost Savings Goal  
Over DOE Approved Amounts*

This Pilot Program will divide the development process into Phase I (design) and Phase II (delivery). Because risk can be more immediately evaluated and managed in the two (2) phase development method, contingencies can be reduced. A goal of 5% savings should be achievable and will be confirmed in Phase I of the development process.

*Firm Fixed Price,  
Guaranteed*

Utilizing the methods described above, Firm Fixed Prices will be established early constructibility reviews of design and the elimination of contractor generated change orders. Guarantees will be provided in the form of surety bonding and liquidated damages provisions.

*Firm Fixed Schedule,  
Guaranteed*

Utilizing the methods described above and logistics plans developed concurrent with facility design, delivery schedules will be clearly defined and more reliable. Guarantees will be provided in the form of surety bonding and substantial liquidated damages provisions.

*Competitive Bidding and  
Cost Verification Provided*

Contracts for General Construction will be competitively awarded through a qualifications and bidding process. Appropriateness of final costs will be verified by third party independent cost estimators employed directly by the state. No qualified providers of construction services will be denied the opportunity to provide services.

*Local Hire Programs* All construction activities will include local hire programs with specific training opportunities and goals established with community input.

*Labor Laws* All work will be completed meeting all Davis Bacon wage scales and all other labor law provisions including certified payrolls.

*Planned Maintenance Program* A three (3) year Planned Maintenance Program (PM) will be established and administered by the development team based on private sector real estate management techniques. The program will include ongoing support and conformance reviews. It will also be the maintenance results standard to which the development team will be held accountable. The PM will be based on an interactive and collaborative approach with local districts on site at regular, three (3) month intervals.

*PM Training Program* The Planned Maintenance Program will be provided both on site and in urban vocational training sites which are designed to train specifically for rural facility work. For local hire programs, training will be designed to complement that received during construction.

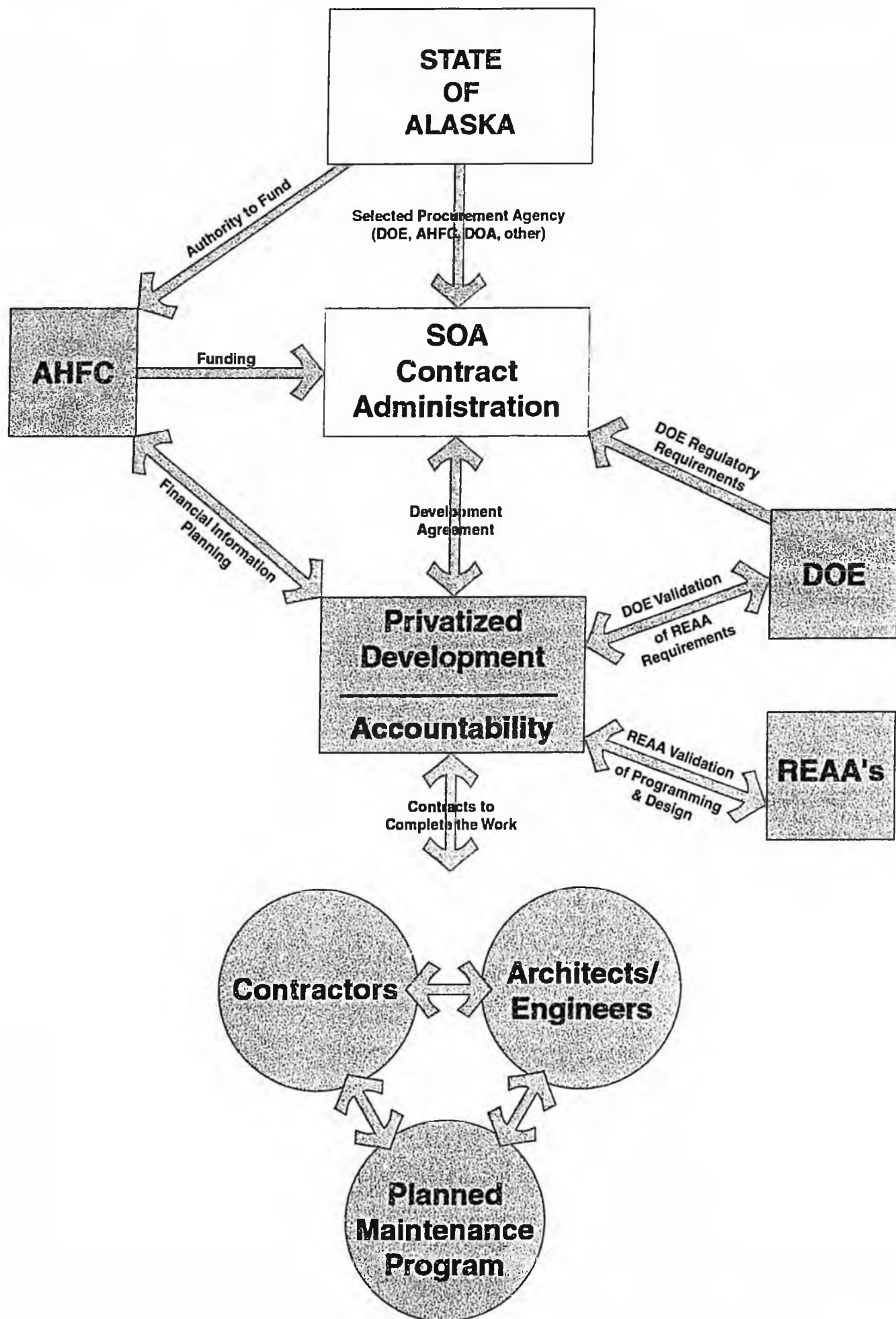
*Financing* Private sector financing at tax exempt rates can be provided. However, the State, through AHFC, has a powerful finance team which has delivered excellent results. Careful coordination between an AHFC finance package and the delivery team will be essential to cost control savings. The development team will remain 100% accountable for costs while AHFC will provide a single point of contact for establishing finance details.

*Local Input on  
Facility Programs and Designs*

Facility development will build on the existing methodologies currently used by local REAA's and school districts. District selected architects will provide typical services utilizing development guidelines established to coordinate schedules, pricing methodologies, logistical requirements and prototypical design philosophies.

*Prototype*

Prototype designs have worked well in urban locations where coordinated planning for different schools can be accomplished. For the initial implementation of this Pilot Program, schools will typically be designed to a 35% level. The completion of designs will strive for prototype systems and components. Round II of this Pilot Program will accommodate prototype designs when starting early in the delivery process. The central role of the development team will allow for coordination of prototype solutions throughout a region.



FISCAL NOTE

No: 1

Bill Version: CSHB 445 (FIN)

(H) Publish Date: 4/13/00

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: School Construction Program  
Sponsor: House Finance Committee  
Requester: \_\_\_\_\_

Dept. Affected Education & Early Development  
BRU Education Support Services  
Component Education Facilities Support

Component Serial No. 1957

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

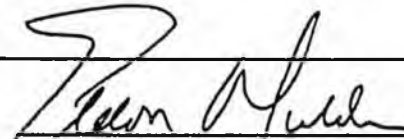
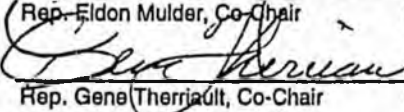
Estimate of any current year (FY98) cost: \_\_\_\_\_

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by

  
Rep. Eldon Mulder, Co-Chair House Finance Committee  
  
Rep. Gene Theriault, Co-Chair House Finance Committee

Phone 465-2647

Phone 465-4797

Date 4/11/00

COMMITTEE COPY

# Bill History/Action Display



BILL: HB 445                      SHORT TITLE: SCHOOL CONSTRUCTION PROGRAM  
 BILL VERSION:  
 SPONSOR(S): FINANCE

CURRENT STATUS: (H) RLS                                      STATUS DATE: 4/13/00

TITLE: "An Act relating to a rural school construction and planned maintenance pilot program; and providing for an effective date."

Full Text Detailed 2000 fiscal note information currently not available on-line.

## Bill History

Jrn-Date	Jrn-Page	Action
4/07/00	<u>2920</u>	(H) READ THE FIRST TIME - REFERRALS
4/07/00	<u>2920</u>	(H) FIN
4/11/00	<u>Text</u>	(H) FIN AT 3:00 PM HOUSE FINANCE 519
4/11/00	<u>Text</u>	(H) Heard & Held
4/12/00	<u>Text</u>	(H) FIN AT 1:30 PM HOUSE FINANCE 519
4/12/00	<u>Text</u>	(H) Moved CSHB 445(FIN) Out of Committee
4/13/00	<u>3109</u>	(H) FIN RPT CS(FIN) 5DP 5NR
4/13/00	<u>3109</u>	(H) DP: MULDER, AUSTERMAN, DAVIS, WILLIAMS,
4/13/00	<u>3109</u>	(H) PHILLIPS; NR: BUNDE, DAVIES,
4/13/00	<u>3109</u>	(H) GRUSSENDORF, MOSES, FOSTER
4/13/00	<u>3109</u>	(H) ZERO FISCAL NOTE (H.FIN/DOE)
4/13/00	<u>3110</u>	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

CAPITAL PROJECTS

CONSTRUCTION

EDUCATION

SCHOOL DISTRICTS

UNORGANIZED BOROUGH

Bill Root:

[Return to BASIS Main Menu\(21st Legislature\)](#)

[Return to the Legislature Home Page](#)

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**Alaska State Legislature**  
**House Finance Committee**



State Capitol, Juneau, Alaska 99801-1182

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**BILL SUMMARY**  
**CS for HOUSE BILL 445(FIN)**

**Rural School Construction and Planned Maintenance Pilot Program**

HOUSE BILL 445 authorizes a pilot program designed to create efficacy in design, firm price proposals and prompt, timely completion of school construction projects in rural Alaska.

It calls for collaboration between community and local school district input, Department of Education and Early Development priorities, State of Alaska public financing methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

House Bill 445 also addresses the need for developing a meaningful maintenance plan for the new facilities and training for maintenance workers.

The school construction and planned maintenance pilot program will be established and implemented by the Department of Education and Early Development. The department, through a request for proposals, will use a qualifications-based process to select private sector developers.

The department must obtain the best value to the state in terms of containment of cost overruns and a guarantee of a firm fixed price, firm fixed delivery schedule with developer guarantees, local hire programs, post construction maintenance plan and utilization of existing planning and design elements.

-----  
Subject: [Fwd: HB 445 Rural School Construction]  
Date: Tue, 18 Apr 2000 14:41:14 -0800  
From: epresentative Eldon Mulder  
<Representative\_Eldon\_Mulder@legis.state.ak.us>  
To: Dale\_Anderson@legis.state.ak.us

Subject: HB 445 Rural School Construction  
Date: Tue, 18 Apr 2000 13:16:45 -0800  
From: "Monty Montgomery" <monty@agcak.org>  
To: "'Mulder, Representative Eldon'"  
<Representative\_Eldon\_Mulder@legis.state.ak.us>  
CC: "'Frey, Mano'" <laborers@alaska.net>, "'Shaub, Thyes'" <thyes@aol.com>,  
"'Argetsinger, David'" <arget@ptialaska.net>,  
"'Barnes, Jack'" <aksigbar@alaska.net>,  
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"'Fike, Terry'" <tfike@alcangeneral.com>,  
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"'Imig, Kurt'" <imig\_ku@willis.com>,  
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"'Leary, Linda'" <lleary@carlilekw.com>,  
"'Miller, Mike'" <mdm.mbcontracting@alaska.com>,  
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"'Reilly, Pat'" <rainproof@alaska.net>,  
"'Salvucci, Pat'" <psalvucc@ribelinlowell.com>,  
"'Shake, Bob'" <shake.bob@nrim.com>,  
"'Springer, Henry'" <oksun@gci.net>,  
"'Swalling, F.M.'" <mswalling@swalling.com>,  
"'Walsh, Sharen'" <sharenw@osborne.cc>,  
"'Ward, Robyn'" <75220.2117@compuserve.com>,  
"'Wheatley, John'" <jwheatley@aesbrokers.com>

A meeting was held today at the Anchorage AGC Building between architects, engineers, designers, and contractors representing the Alaska construction industry to review and comment on HB 445 -- Rural School Construction. This group mutually agree that HB 445 should be amended as identified in the attached.

The following representatives were present:

Dick Cattanach	AGC of Alaska
Monty Montgomery	AGC of Alaska
Terry Fike	Alcan Gekel, Inc.
Roxanna Horschel	ACME Fence Co.
Kenneth Maynard	USKH
Jon Stolle	AIA Alaska
Sam Kito III	APDC
Mark Pfeffer	KPB
Derald Schoon	Unit Company
John Wheatley	American E & S





# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### *Committee on Finance*

Official Business

State Capitol  
Juneau, Alaska 99801-1182

### BILL SUMMARY CS for HOUSE BILL 445(RULES)

#### Rural School Construction and Planned Maintenance Pilot Program

HOUSE BILL 445 authorizes a pilot program designed to create efficacy in design, firm price proposals and prompt, timely completion of school construction projects in rural Alaska.

It calls for collaboration between community and local school district input, Department of Education and Early Development priorities, State of Alaska public financing methodologies with private sector development techniques to meet community needs more quickly, inexpensively and reliably.

House Bill 445 also addresses the need for developing a meaningful maintenance plan for the new facilities and training for maintenance workers.

The school construction and planned maintenance pilot program will be established and implemented by the Department of Education and Early Development. The department, through a request for proposals, will use a qualifications-based process to select private sector developers.

The department must obtain the best value to the state in terms of proposed methodologies to reduce capital construction costs, timely delivery schedules with developer guarantees, local hire programs, post construction maintenance plan and utilization of existing planning and design elements.



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Amendment adopted  
after recommendations

make <sup>in</sup> res. to leg. ~~amendment~~  
annual

By addressing



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Amy-

I think we are not doing  
anything w/ 362.

BECAUSE IT'S IN WRAP COMMITTEE

TODAY?