

# Bond Reimbursement and Grant Review Committee Meeting Agenda

June 27, 2022  
1:30 pm – 3:30 pm

Audio Teleconference available through free online Zoom application.

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Chair: Heidi Teshner

Monday, June 27, 2022

## Agenda Topics

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1:30 – 1:35 PM	Committee Preparation <ul style="list-style-type: none"><li>• Call-in, Roll Call, Introductions; Chair’s Opening Remarks</li><li>• Agenda Review/Approval</li><li>• Past Meeting Minutes Review/Approval</li></ul>
1:35 – 1:45 PM	Public Comment (additional comments related to agenda topics may be solicited throughout the meeting)
1:45 – 2:00 PM	Department Briefing
2:00 – 2:30 PM	Prototypical Design Committee Position Paper Update
2:30 – 2:55 PM	Briefing Paper: Insufficient/Additional Project Funding
2:55 – 3:25 PM	Space Guidelines Accuracy Review/Recommendation
3:25 – 3:30 PM	Committee Member Comments
3:30 PM	Adjourn

**BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE**

Tuesday, April 19, 2022 – 1:30 p.m. – 4:35 p.m.  
Wednesday, April 20, 2022 – 8:30 a.m. – 2:33 p.m.

Andrew P. Kashevaroff Building  
395 Whittier Street, Juneau, Alaska

<b>Committee Members</b>	<b>Staff</b>	<b>Additional Participants (telephonic)</b>
<b>Present</b>	Tim Mearig	Dana Menendez, Anchorage SD
Heidi Teshner, Chair	Lori Weed	Amy Briggs, Ketchikan Boro.
Elwin Blackwell	Sharol Roys	Dena Strait
Sen. Roger Holland, excused	Wayne Norlund	Robert Brown, HMS, Inc.
Rep. Dan Ortiz	Wayne Marquis	Kent Gamble, HMS, Inc.
Randy Williams		
Dale Smythe		
James Estes		
Kevin Lyon		
David Kingsland		
Branzon Anania		

**April 19, 2022**

**CALL TO ORDER and ROLL CALL**

Chair Heidi Teshner called the meeting to order at 1:30 p.m. Roll call was taken, and a quorum was established to conduct business. Senator Holland was excused.

**CHAIR’S OPENING REMARKS**

Chair Teshner welcomed everyone and hoped to get finished in time to enjoy some of the Juneau sunshine. She looks forward to a lively discussion on the 2024 CIP application this afternoon.

**AGENDA REVIEW / APPROVAL**

Branzon Anania **MOVED** to approve the agenda as presented, **SECONDED** by Randy Williams. Hearing no objection, the motion **PASSED**.

**PAST MEETING MINUTES REVIEW / APPROVAL – February 28, 2022**

Dale Smythe **MOVED** to approve the minutes from February 28, 2022, as presented, **SECONDED** by David Kingsland. Hearing no objection, the motion **PASSED**.

**PUBLIC COMMENT**

A public comment period was offered, and no public testimony was received.

**DEPARTMENT BRIEFING**

***FY 2023 CIP Report Reconsideration and Final Lists***

Tim Mearig reported that there had been no appeals on CIP projects, and directed committee members to review the final lists. The major maintenance list and the school construction list amount to about \$200 million each for the State share.

For the current CIP cycle, 47 of 53 school districts have certified preventative maintenance programs. Yakutat has been notified that it is no longer compliant, so they will have to reestablish protocols in order to be eligible for FY '24. Yukon Flats is working to get back on the list, as is Nenana. All the districts and their statuses are included in the packet. Districts that have installed biomass plants are not tracking energy use because the funding for those projects does not call for any measurement requirements.

### ***Report: School Capital Project Funding Under SB 237***

Tim referred to the excerpts from the annual school capital project funding report. The zeroes that appear in the report do not necessarily mean there are no projects occurring. There may be redirected debt proceeds or grant funds that lapsed and were reallocated, but this report tracks new money only, so if there is a project, it will show as a zero if the funds were reassigned.

### ***Legislation and Regulation Updates***

The legislative action report highlighted HB 350, SB 17, and SB 225. Chair Teshner commented that SB 225 added some language to evaluate the statewide need for teacher housing, and the bill is currently in Senate Finance. Tim noted that the CIP statutes do not deal with teacher housing, and the department has not dealt with that issue in the past.

The three publications for regulation that were approved by BRGR (swimming pool guidelines, site selection criteria, and school equipment purchases guidelines) were approved by the State Board and are in the public comment process. The State Board will consider the adoption of the regulations at its June 8th meeting.

### ***Department Projects***

Tim noted that funds were received in 2022 for a statewide capital funding forecast database, and the RFP for that is forthcoming. He discussed the type of information that would go into the database, which will give more of a statewide perspective of need.

### ***Publications Update***

Tim spoke briefly about the list of publications. James Estes asked about the outdoor facility guidelines for secondary schools that is new and wondered what drove that. Tim responded that he did not know as it was initiated by his predecessor. Lori Weed said it was meant to help provide equity between the urban and rural districts.

### **DEPARTMENT BRIEFING: FY 2024 CIP APPLICATION & SUPPORT MATERIALS**

Tim mentioned that the scoring related changes in the application will be discussed tomorrow. Summarizing the changes, he talked about the mixed scope weighting factors for code deficiency and life safety conditions and pointed out changes in scoring for siding failure, architectural interior, elevator issues, and ADA issues. Lori Weed explained the alternate weighting process, which tries to diminish the effect of small dollar value costs to correct large point value conditions. The proposal this year is for the alternate weighting to be based on cost instead of points.

Tim reviewed the capital planning narrative and explained that some scoring criteria appeared to be indexed to high performing districts and needed to be softened somewhat to allow typical

districts to receive reasonable scores. As an example, Tim pointed out that maintaining maintenance records or having a policy or handbook were not as important as completing the maintenance, so the scoring matrix was adjusted. Dale Smythe commented that this change matches criticism he had heard from maintenance about providing data instead of doing their job.

Randy Williams asked if a score of zero would mean disqualification. Tim replied that if a district had a lot of ones and zeros, they probably would have a conversation to see if there was missing information that would show that they are doing the work.

Tim reviewed changes to Appendix D regarding the type of space added or improved, which he classified as a moderate change to the CIP application. Most of the amendments arose out of new and revised naming language in the Design and Construction Standards.

### **FY 2024 APPLICATION REVIEW**

Tim referred the committee to the summary of changes. He briefly discussed changes to grant and debt funding categories to conform to statutory definitions.

Randy Williams asked for clarification on the points for siding. Lori Weed explained that if the siding has aged past the expected life, it's 12 points, but if it fails at or past that time, then it gets 15, not 12 plus 15.

The three-point "bump" for documentation by an appropriate entity was discussed. Lori Weed clarified that the department decides who is the appropriate person or entity. Branzon Anania asked if there was a chance that some of the items could be defined by a contractor through documentation, not necessarily an engineer or architect. Tim said that for structural it should not be a contractor but a registered structural engineer. Branzon said he was thinking about a sprinkler system inspection and wondered why he would have to hire an engineer to duplicate the work of the inspector.

Lori Weed asked if the words "documented by an appropriate qualified entity as determined by the department" would be beneficial. Dale Smythe said he thought so and added that for ASHRAE 90.1 for windows and insulation, they wouldn't necessarily have to have a professional to analyze that. And a mechanical engineer is not necessary to tell someone the boilers are out. He said there is no sense flying the contractor out to say what's wrong and then have to fly an engineer out to tell them the same thing.

Tim pointed out that an experienced facility manager could understand code, but it is not their professional responsibility. He would rather have the professional that is adding value by saying, "I know this. It's my job to know this, and I'm citing that it's true." Base points are still available without the three-point bump if there is no professional documentation.

Lori Weed explained the changes in question 6b of the application to clarify that it is for whole school construction design and also clarifying that only one category can be used, either the prototypical design or building system standards.

Lori explained that a new section was added to the application for district contact information so that when there are changes made by the department, the changes are provided to the persons named in this section rather than just to the superintendent.

The space name “parent resource room” was deleted from Category B in Appendix D because it was no longer clear what the purpose of the space was.

## **RECESS**

The meeting recessed at 4:35 p.m.

**Wednesday, April 20, 2022**

## **CALL TO ORDER / ROLL CALL**

Chair Blackwell called the meeting to order at 8:30 a.m. Roll call was taken, and a quorum was established to conduct business. Sen. Holland and Rep. Ortiz were excused.

## **CHAIR’S OPENING REMARKS**

Chair Blackwell said he would be chairing the meeting today while Heidi Teshner was doing legislative work. He introduced a briefing paper on implementing and updating the *Alaska School Design and Construction Standards Handbook* and had it distributed to the committee to be addressed this afternoon.

## **PUBLIC COMMENT**

No public members wished to provide comment at this time.

## **FY 2024 APPLICATION REVIEW (continued)**

Tim Mearig and Lori Weed reviewed the elevator issues and pointed out that an issue with the interior of the elevator, such as flooring, is different from a code deficiency that was found by an elevator inspector. Dale Smythe noted that there is a limited number of schools with elevators, and it’s generally an ADA issue rather than a life-safety issue. James Estes commented that it could be an egress issue for students who utilize wheelchairs for mobility. Randy Williams said there are other potential deficiencies related to the discharge of sprinklers in elevator shafts or wastewater intrusion.

Lori Weed detailed the proposed changes to the application as follows:

- Adding language to the first paragraph specifying four total application copies.
- Changing the primary structure of school construction and major maintenance, changing from grant funding and debt funding categories.

Kevin Lyon questioned whether debt could be used for protection of structure. Tim replied that the statute doesn’t define debt projects under school construction and major maintenance definitions. Tim recommended that a footnote be added that AS 14.11.100(j)(4) does not expressly include protection of structure.

Tim outlined the changes in Section 4a. Lori summarized that there were no changes to Section 5; minor word changes to Section 6; no changes to Sections 7, 8, or 9; new Section 10 regarding district contact information; and a minor change to the Attachments checklist.

Lori Weed reviewed the proposed changes to the instructions. The changes were to remove the differentiation between grant and debt in Section 1b; add that, for grant funding, the project must appear in the first year of the district's six-year plan; no changes to Sections 3, 4, and 5; in Section 6, clarify that use of prior school construction design is encouraged, and that these points are available to school construction projects with primary purposes of category A, B, or F; and in Section 7, that cost estimates are preferred in the DEED cost format.

Dale Smythe noted that it says that alternative formats will not impact points assigned but could impact the project's eligible amount for cost estimate work, and he wondered what that meant. Tim explained that an estimate will not be paid twice. Lori suggested that cost estimate work be changed to cost estimate expenses.

Lori continued reviewing changes to the instructions, with no changes to Section 8; Section 9 is changed to conform to the Rater's Guide regarding the PM narratives; add Section 10 to provide contact information for persons other than the superintendent or chief administrator; no changes to Appendices A, B, and C; in Appendix D, changes to some of the names of type of space added or improved. Tim mentioned that some types of spaces were deleted and more common names added, but there were no shifts in categories except for the parent resource room that was discussed yesterday.

New definitions mostly related to the energy narratives were added to Appendix E. Kevin Lyon wanted to know if capital renewal and replacement would include carpets, boilers, and light fixtures. Tim replied that if it lasts more than five years, it would be a capital expenditure rather than maintenance and would be an eligible expense under this definition.

There was a question about the definition of deferred maintenance – whether it included capital work. It was decided to amend the definition to read, “Maintenance or capital renewal that is postponed for lack of funds, resources, or other reasons.”

In the Rater's Guide, the sixth bullet of Question 4a was amended to update it to the alternative weighting of mixed projects. Committee determined that the proposed asterisk denoting a 3 point scoring increase if documented by a qualified professional should be removed from siding failure aged over 25 years. There were some slight wording changes on the ADA items, and asterisks added to several items in other categories. The definition of architect should be removed.

Branzon Anania questioned the 30- to 40-year life span for sprinkler heads as he thought the heads were to be replaced at 20 years.

The discussed the wording, “+3 points if documented by appropriate entity” and several amendments proposed:

- Change to “documented by an appropriate qualified entity” and possibly add “as determined by the department.”
- Change to “appropriate entity or jurisdiction” because that allows some Fire Marshal activity and perhaps elevator inspector issues.

- Change “qualified” to “licensed.”
- Change to “appropriate entity or appropriate qualified entity.”
- Delete all the asterisks so there would be no three-point bumps.

Tim pointed out that if a contractor submits that something is a code violation, the rater does not know if that contractor actually knows if it is a violation, but the industry is based on licensed professionals being responsible to know and implement the code. Dale Smythe felt there should be some freedom in identifying deficiencies, especially for the smaller districts that might not have access to design professionals.

Lori Weed suggested that the note be deleted, and a bullet placed before the matrix which states, “A three-point increase if code deficiency is documented and cited by an appropriate qualified entity or enforcement authority, and the most common conditions are noticed with an asterisk.” The committee was in consensus with that change.

In response to Branzon Anania’s concern about sprinkler head life, Randy Williams looked up the code reference and found it is a complicated issue with different replacement schedules for different types of sprinklers, and some of the replacement periods can be extended with testing at certain intervals. He was not sure how that could be wrapped up in a single line entry. It was decided to leave the entry as is for this year.

No one objected to skipping to the project eligibility checklist. Item B was changed by adding “Project is identified in the current CIP year of the plan.”

Dena Strait thought the discussion about who can call out a code deficiency was good, and she liked the combination of an inspector or repair person calling out a deficiency and then having it confirmed by a professional.

Dale Smythe **MOVED** that the committee accept the edits to the Rater’s Guide and application with the edits as defined yesterday and today giving the department freedom for minor changes based on intent, **SECONDED** by Kevin Lyon.

Motion passed with unanimous roll call vote, 7 – 0.

## **SUBCOMMITTEE REPORTS**

### ***Design Ratios***

Dale Smythe reported that he was waiting for further analysis on some of the energy modeling, and then they will continue modifying final ratio recommendations based on those results.

### ***Model School***

Kevin Lyon stated that the work that has been completed is in the document.

### ***School Space***

Dale Smythe reported that this subcommittee met in February and agreed that shifting on the allowable space, shifting the measurement definition, and general group acceptance that moving

to something more in line with the vapor retarder or interior sheetrock would match the need. The subcommittee will meet again this week.

## **PUBLICATIONS**

### ***Project Delivery Method Handbook – Draft for Public Comment***

Wayne Norlund reported on the *Project Delivery Method Handbook*. He said the handbook compares, contrasts, and describes the traditional and presumptive default method of design-bid-build with other accepted alternative project delivery methods.

He directed the committee to the publication and survey in the packet and noted that the survey demonstrated that most people find the publication to be useful although it showed some areas that could be improved.

The proposed changes reflect the regulation changes made in 2019 and replaced the appendix with a synopsis. Also included is a request letter listing all the materials that need to be included in order to make the case, justify, and request a specific alternative project approval. A flow chart has been described as one of the most useful elements of the handbook. A sample request template is included as Appendix E and is proposed for removal.

The two main questions Wayne would like discussed are as follows:

- Should the publication continue to include a copy of the sample request template, or should it be separate and allow the synopsis at the end to serve that?
- Is the new request letter section too specific? If so, should it instead include direct references to the publication sections to remove potential missing of direction that is in there?

The current template is a Publisher file and is being converted to Microsoft Word to make it more user friendly. Lori Weed suggested that a hyperlink to the Word template be put in the Template paragraph.

Wayne was concerned that the request letter was too specific and perhaps should have references to the appropriate sections of the manual. It was decided to leave the request letter as is and see what public comments are received about changes to it.

Randy Williams **MOVED** that the BRGR Committee approve the department updates on the *Project Delivery Method Handbook* as presented and open a period of public comment, **SECONDED** by James Estes. Hearing no objection, the motion **PASSED**.

### ***Preventive Maintenance Handbook – Draft for Public Comment***

For the record, at this point Chair Blackwell turned the chair position over to Heidi Teshner.

The *Preventive Maintenance Handbook* has been reviewed by the committee nine times since 2018, and this version shows edits incorporated and some new language that is underlined. It also has some sections that are not fully developed or are blank. The briefing paper identifies the areas of content that were added since the last revision in December 2021.



When sending this handbook out for public comment, Tim can direct the public to the bulleted list in the summary of public comment to solicit suggestions for additional development. If no one comments on certain sections, perhaps they are not needed and can be deleted.

Tim would like to open this for public comment, respond to public comment, make additional guidance or information in areas that are still to be developed, and then come back to the committee for adoption in September.

Dale Smythe **MOVED** that the Bond Reimbursement and Grant Review Committee approve the department's proposed update of the *Alaska School Facility Preventive Maintenance and Facility Management Handbook* as edited and recommend the department open a period of public comment, **SECONDED** by Randy Williams. Hearing no objection, the motion **PASSED**.

### ***Capital Project Administration Handbook – Final***

Public comments and DEED's responses are included in the packet. DNR provided some language regarding archeological clearance, and those changes are incorporated in the document. Budget category definitions were added as Appendix B. Additional information regarding value analysis was added to the document in response to comments from Doug Murray of RESPEC.

Kevin Lyon **MOVED** that the Bond Reimbursement and Grant Review Committee approve the department's proposed update of *Capital Project Administration Handbook* for issuance and use by the department, **SECONDED** by James Estes. Hearing no objection, the motion **PASSED**.

### ***Construction Standards Handbook – Final***

Over a hundred comments were received during the last public comment period, the majority of which were in reference to Part 2 School Buildings and their space characteristics. Additional comments were received about best practices and lessons learned.

Tim mentioned he did not have time to analyze the CF (cost factor) and LCCA (life-cycle cost analysis) items that were developed by BDS and consultants, and he anticipates that will result in some changes relatively quickly.

Randy Williams asked how Tim would propose to capture best practices / lessons learned to bring back to the committee. Lori Weed replied that when she gets submissions or items come up during reviews, she starts a new document with tracked changes and makes a note for possible future discussion.

Tim stated that it is a statutory responsibility of the committee and the department to develop criteria for construction of schools in the state. HB 212 added language that required the department to develop and periodically update regionally-based model school standards that describe acceptable systems and construction standards and acceptable building systems. The committee would be the entity that modifies and moderates the Construction Standards.

The department proposes that, if adopted, the construction standards would take effect this year in the CIP application process. Dale Smythe wondered what effect that would have on projects

that are already in design now for the next submittal. Lori Weed said that to address Dale's concern, language could be added that designs that have reached a certain stage and are dated prior to the adoption of these standards would not be penalized or held to the standard.

Tim and Lori discussed the mechanics of where the standards would fit in the application process. Lori referred to the Construction Standards Implementation Briefing Paper that was distributed earlier and said that new language would probably be inserted as an appendix to the application instructions.

Randy Williams **MOVED** that the Bond Reimbursement and Grant Review Committee approve the proposed review comments as presented for distribution, **SECONDED** by Kevin Lyon. Hearing no objection, the motion **PASSED**.

Randy Williams **MOVED** that the Bond Reimbursement and Grant Review Committee approve the final draft of the *Alaska School Design and Construction Standards* as presented, **SECONDED** by Kevin Lyon. Hearing no objection, the motion **PASSED**.

## **COST MODEL UPDATE**

### ***HMS, Inc. Teleconference***

Robert Brown of HMS, Inc. presented an update to this year's *Program Demand Cost Model*. The most significant change was the movement from the Unifomat Elemental categories to the 2020 DEED standard construction cost estimate format. With that move, some items and assemblies are accounted for in different divisions, so care must be taken when comparing this year's Model School with previous editions. The Cost Model is updated annually.

The pandemic, the war in Ukraine, and the price of oil have all contributed to volatile material prices. The largest increases were in steel and copper and products related to the price of oil. HMS also considered the unique market risk factor and have set that at 3.5 percent because of uncertain material prices and supply chain issues. They recommend raising the escalation rate to 5 percent for budgeting purposes. Shipping costs also continue to rise, and shippers are adding a freight surcharge which was 30 to 35 percent but is now in the 40s and will continue to fluctuate with the price of oil.

Dale Smythe asked for any comment or advice because of the dynamic nature of the costs discussed. Mr. Brown stated it is difficult, but they try to keep as close to realistic numbers as possible. Some suppliers receive allocations of materials and when those allocations are gone, there is no more until the next quarter or whenever the next allocation is scheduled, and the price of the materials is not known until that next allocation is received.

## **FY 2024 APPLICATION REVIEW – Continued**

Kevin Lyon asked about an exemption for completed projects and reuse of scores. Dale Smythe suggested identifying the grace period but did not know how that would work. Branzon Anania said if someone had one from last year and it's good for two years, having to redo it to get it current seems overburdensome. Tim said that a project that is eligible for reuse of scores could range from a second year to another six years, and he suggested exempting those eligible for reuse scores. Other discussion points were as follows:

- The grace period should be identified.
- At what point does the design have to be redone?
- The time constraint between now and September 1st is an important factor.
- The starting date should be 2024.
- If the design is already at 65 percent, it should be exempt.

Kevin Lyon **MOVED** that the Bond Reimbursement and Grant Review Committee amend the CIP application to include the *Alaska School Design and Construction Standards* for use in evaluating projects beginning with the FY '24 CIP process, and in implementing the grant and other financial assistance awards established in regulation; exempted are projects completed prior to September 1st, 2023; eligible projects for reuse of scores; or those projects that received design points of 20 or more prior to September 1st, 2023, **SECONDED** by Dale Smythe. Hearing no objection, the motion **PASSED**.

Tim explained that the standards would be introduced as Appendix B, and waterfall the other appendices out with new letter designations to follow. Then amend instructions for question 3d, scope of work, to reference Appendix B.

Dale Smythe asked if the committee could leave the implementation of the standards to the department. James Estes wanted to defer the formatting to the department. It was decided that a motion would be necessary.

Randy Williams **MOVED** to amend the previous motion to say “Amend the CIP application as presented,” **SECONDED** by Branzon Anania. Hearing no objection, the motion **PASSED**.

### **DESIGN RATIO APPROVAL**

The design ratios they are working on are a percentage ratio of the exterior opening to exterior walls, the gross square foot of the building relative to the volume of the building, and the volume to the exterior enclosure. The two that relate to volume are challenging because of the different styles of buildings, whether built on a slab or with a crawl space or an elevated floor open to the environment.

### **BRGR CALENDAR AND WORK PLAN REVIEW AND UPDATE**

Tim Mearig said the work plan is largely a process of removing work that was accomplished from the outline for 2022. Tim outlined the possible items for consideration at the June meeting. The committee previously decided that it did not need to provide any new guidance on prototypical school design. He hopes to be able to talk about space guidelines and the calculation anomaly that occurs around the 300 mark in the K-12. Also, the second phase of space analysis, the adequacy piece, should be considered at the next meeting. The question about what happens to projects if they run into trouble with the funding will also be taken up.

### **SET DATE FOR NEXT MEETING**

Meeting dates were discussed. The National AIA convention is the 22nd through the 25th of June. The meeting was set for June 27th at 1:30 p.m. by teleconference. The September meeting was set for the 1st at 1:30 p.m., also by teleconference.

## **COMMITTEE MEMBER COMMENTS**

James Estes said it was great to see everyone in person, thought it was more productive, and he thanked the committee and the department for the expertise and all the work done.

Kevin Lyon thanked everyone for the work accomplished, especially by the department.

Branzon Anania thanked the department and said it was nice to meet everyone as this was his first in-person meeting with the committee.

Dale Smythe thanked everyone and wondered if stats were kept on the number of motions presented and approved.

David Kingsland said he like Kevin's long paragraph motion, beautiful.

Randy Williams echoed everything that's been said and mentioned that it was great to see everyone in person.

Chair Teshner said it was great to see everyone, and she appreciated everybody being on the committee and coming to Juneau. She also thanked Kevin for presenting to House Finance a few weeks ago and said he did a great job. Expressed thanks to the staff for putting everything together.

## **MEETING ADJOURNED**

Without objection, the meeting adjourned at 2:33 p.m.



To: Bond Reimbursement & Grant Review Committee  
From: School Facilities  
Date: June 27, 2022

## DEPARTMENT BRIEFING

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### *Preventive Maintenance Update (PM State-of-the-State)*

The Preventive Maintenance State of the State Report was issued on June 1, 2022, and is included in the packet with a charts showing compliance history. For the current FY24 CIP cycle, 43 of 53 school districts have certified preventive maintenance programs.

Districts that are not currently certified include:

- Aleutian Region
- Chatham
- Craig City
- Hydaburg City
- Klawock City
- Lake & Peninsula
- Nenana City
- Skagway
- Yakutat City
- Yukon Flats

Districts granted provisional certification and that are working with the department to develop a full year of evidence of plan adherence include:

- Bristol Bay Borough
- Kake City

Problem areas continue to be maintenance management, tracking and reporting energy consumption, and maintaining maintenance and custodial personnel training plans and records.

School districts with non-compliant programs have until August 1 to coordinated with the department and provide evidence of compliance with the requirements. The final department determination will be issued by August 15.

Site visits for the upcoming fiscal year are scheduled to take place between September and April for the following school districts:

- Anchorage
- Chugach
- Fairbanks Borough
- Galena City
- Kenai Peninsula Borough
- North Slope Borough
- Pelican City
- Tanana City
- Valdez City

## ***CIP Workshop 2022 Recap***

The department offered an in-person one-day workshop on May 12, 2022, in Anchorage on the FY2024 CIP application and support materials. Approximately 35 people attended. Department staff provided an overview of where the CIP application fits in the overall facility life cycle. Application changes were also highlighted including updates to both the life-safety/code and maintenance narratives matrices, in addition to the new appendix incorporating the recently adopted Alaska School Design & Construction Standards. A detailed primer was also given on using the Cost Model (see below).

## ***Cost Model Update***

The DEED Program Demand Cost Model, which is a tool used to assist school districts in estimating construction and renovation costs, was updated for 2022 and published May 11, 2022. This 21st Edition of the tool was a straightforward update, primarily updating line item costs for materials and labor. This process actually resulted in the edition's most significant feature, a 14.37% cost increase in the model school. This is the largest such single-year increase since starting the model in 1980.

## ***Department Projects***

### **Capital Needs Forecast Database**

The department solicited vendors for the proposed school capital needs forecast database from April 29 to May 20, 2022. Three proposals were reviewed and a notice of intent to award to Inzata Analytics was issued on May 26. Inzata's proposal and method may significantly shorten the development and roll out period for the database which is currently scheduled to occur over three phases and complete in May 2023. This tool will establish a data-driven statewide need for capital renewal and new construction on an annual basis and provide a dashboard to align funding programs with that need. This ~\$200,000 investment was funded by the legislature in FY2022.

## ***Legislative Action***

The legislature passed a combined operating and capital budget bill ([HB 281](#)) on the last day of session. The bill contains the following school capital funding-related appropriations:

- Major Maintenance Grant Fund (AS 14.11.007) \$100,000,000 (Sec. 11; pg 87, ln 25-28)
- School Construction Grant Fund (AS 14.11.005) for William N. Miller K-12 Memorial School Replace, Napakiak \$54,895,500 (Sec. 14, pg 123, ln 14-19) [funds from REAA Fund to SC]
- REAA Fund Capitalization FY2023 \$32,784,000 (Sec. 78, pg 193, ln 14-16)
- Supplemental REAA Fund Capitalization (Sec. 27, pg 140)
  - FY2022 \$17,119,000
  - FY2021 \$36,739,000
  - FY2020 \$19,694,500
  - FY2017 \$10,410,000
- Debt Reimbursement FY2023 \$78,975,672 (Sec. 76, pg 190, ln 17-22)
- Supplemental Debt Reimbursement (Sec. 20, pg 136-137). Funds prior vetoed amounts:
  - FY2022 \$48,594,460
  - FY2021 \$100,154,200
  - FY2020 \$47,987,000
  - FY2017 \$24,104,000

The bill has, as of June 15, been transmitted to the governor. The governor has 20 days after transmittal, excluding Sundays, to sign or issue vetoes.

## Guidelines for Prototype Design

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# C O V E R M E M O

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June 27, 2022

### Issue

The department is proposing revisions to the *Guidelines for Prototype Design for Educational Facilities*, adopted by the committee August 4, 2004.

### Background

#### *Last Updated/Current Edition*

Guidelines were adopted 2004. Original version is available on the department's website: [education.alaska.gov/facilities/brgr/docs/prototype\\_design\\_guidelines\\_082004.pdf](http://education.alaska.gov/facilities/brgr/docs/prototype_design_guidelines_082004.pdf)

#### *Summary of Proposed Changes*

The proposed revisions to the *Guidelines for Prototype Design for Educational Facilities* are being offered in two versions. The first is a minor update to improve clarity regarding appropriate use, and to reference the new *Alaska School Design & Construction Standards* as a possible repository of high-quality implementations. The second version is a comprehensive update to the policy guidance with reference to the new statutory requirements in AS 14.11.013 and 14.11.014. It emphasizes an alignment with current (and future) CIP application guidance on scoring elements related to this topic. It also references and aligns with other department publications. The department has prepared these revisions based on discussions and recommendation from the committee at the September 9, 2021 meeting.

#### *Version Summary & BRGR Review*

This topic was discussed by the committee at the following meetings:

September 9, 2021 – department provided a briefing paper on the history of prototype design/ reuse of plans and options for potential action. BRGR requested proposed revisions for review and potential public comment.

June 27, 2022 – department proposes revisions in two options, one more passive, the other more aggressive. Both reference the CIP application for final scoring provisions. Both reference a range of appropriate use.

### BRGR Input and Discussion Items

Outlined below for consideration by the BRGR Committee:

- The 2004 language implies that, in the context of evaluating district or municipal building system standards, use of prior construction drawings or specifications would be appropriate for this scoring category. Version 1 keeps this broader language of allowable uses. During adoption and subsequent revision of this application scoring element, the committee specifically disallowed this in favor of a more formal and structure standards

document. Version 2 conforms to the current CIP guidance that acceptable documentation must be part of a published district standard.

- In the section regarding use of prototypical design submittals for scoring within the CIP process, should the individual scoring options be listed, or a more general statement? (Ref. paragraph 1 in version 1, and paragraph 2.A in version 2.)
- Are the *Alaska School Design & Construction Standards* a suitable place to document what were referred to as ‘advisories’ in the 2004 guide? Will that publication’s Best Practice/Lessons Learned be able to fill this goal?

### **Options**

Approve *Guidelines for Prototype Design* (version 1 or version 2) for public comment.

Amend *Guidelines for Prototype Design* (version 1 or version 2) and approve public comment.

Seek additional information or request additional analysis by the department.

### **Suggested Motion**

“I move that the Bond Reimbursement and Grant Review Committee approve the proposed revisions in [*version 1* or *version 2*] of the *Guidelines for Prototype Design* and request the department open a period of public comment.”



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## PROTOTYPE DESIGNS for EDUCATIONAL FACILITIES

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Guidelines Adopted by the BR&GR Committee June 27, 2022

This Supersedes Guidelines Adopted August 4, 2004

1. To use ~~prototype~~ design submittals as qualifying documents in establishing district progress toward the completion of the planning and design phases and to use this progress in evaluating the planning & design scoring element of the scoring criteria ~~for as established in the current~~ CIP applications ~~materials~~.
2. To support School Districts in the appropriate use of Prototype Designs, the following guidelines are established:-

**Appropriate use is defined as:**

- A. Prototype designs may be used as planning tools, and as examples of successful solutions to similar programmatic, space, construction type, and orientation needs.
  - B. Prototype designs may be used ~~as basic~~ to replicate specific building systems and components through designs, drawings, and details, as specifications, and as planning narrative descriptions options that could be put together to form an integrated composite design. The components may range from: cabinet details, classroom lockers, bicycle racks, cold weather entries, and roof skylights to systems such as classrooms, toilet rooms, and kitchens, or kitchen components, to total core units with multiple classroom possibilities. Also included could be roofing systems, fuel storage, mechanical systems, and a variety of construction details.
  - C. Prototype designs may also ~~never be used as~~ full contract documents which could be modified for special conditions. A single district may have ~~Prototype prototype Designs designs~~ which were designed for specific locations and then developed for reuse in other locations. As part of this reuse development process the district ~~shall should implement do~~ a post-occupancy evaluation of the last ~~prototype~~ design built and shall have the plans modified to correct items found deficient in this evaluation. The ~~prototype~~ design shall be customized to adjust to each new site and its conditions. This type of ~~Prototype prototype Design design~~ shall be revised as necessary for selected sites, differing educational programming, user group input and code changes.
  - D. Prototype designs shall be used with due process in design review. The review shall include: input by user groups, consideration of the educational program needs and technical appropriateness relative to geographic location, climate, site conditions, orientation and building systems.
3. The role of the Department of Education & Early Development regarding use of prototype designs is to act as a resource and facilitator for school districts choosing to use this design approach. To this end, ~~the facilities section shall~~ DEED Facilities will work with school districts and ~~architects design professionals~~ in collecting, publishing, and distributing Best Practices/Lessons Learned, primarily within the Alaska School Design and Construction Standards, a series of "advisories". ~~The "Advisories will note "good" solutions and possible corrections to "bad" solutions to both generic and specific issues of a programmatic and/or technical nature relative to facilities designs.—~~

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# PROTOTYPE DESIGNS for EDUCATIONAL FACILITIES

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## Guidelines Adopted by the BR&GR Committee June 27, 2022 This Supersedes Guidelines Adopted August 4, 2004

**Purpose:** These guidelines are in response to the Committee's statutory responsibility established in AS 14.11.14(b)(4). They are to support analysis of school facility designs for reuse and to support such use when appropriate in accordance with AS 14.11.013(a)(4).

1. To support School Districts in the appropriate use of **Prototype Designs** and Prototype Building Systems, appropriate use is ~~defined~~ established as:
  - A. Prototype designs may be used as planning tools, and as examples of successful solutions to similar programmatic, space, construction type, and orientation needs.
  - B. Prototype designs with sufficient modularity may shall be used beyond the planning stage to achieve a project serving a substantially different population by removing or adding classrooms or academic wings but leaving core spaces intact. It is anticipated that only moderate revisions to the prototype design will be required. Such projects will need to conform to provisions in regulation for oversized cores when being considered for eligible space, with due process in design review. The review shall include: input by user groups, consideration of the educational program needs and technical appropriateness relative to geographic location, climate, site conditions, orientation and building systems.
  - C. Prototype designs may ~~also cover~~ provide full ~~contract construction~~ documents ~~which could be modified for special conditions~~ for solicitation of bids or proposals when multiple iterations of a specific school facility will meet district educational planning objectives. This normally occurs during periods of rapid population growth but can also occur in response to catastrophic loss of an existing school. A single district may have Prototype Designs which were designed for specific locations and then developed for reuse in other locations. As part of this reuse-development process the district shall do a post-occupancy evaluation of the last prototypical design built and shall have the plans modified to correct items found deficient in this evaluation. The prototypical design shall be customized to adjust to each new site and its conditions. This type of Prototype Design shall be revised as necessary for selected sites, differing educational programming, user group input and code changes. Substantial variations in site conditions may preclude appropriate use of a prototype design.
  - D. Prototype ~~designs building systems~~ may be developed and used for any system identified within levels two through four of the DEED CostFormat. Prototype system solutions can range from complete, turnkey level-two systems (e.g., Substructure, Roof Systems, Mechanical, etc.) to component-based elements at a level-four subsystem (e.g., Fencing & Gates, Heat Recovery System, Food Service & Kitchen Equipment, etc.). Documentation of the system as approved within a published district standard is needed and may range from drawings, to specifications, to narratives as needed to fully describe a system for incorporation into construction documents. as basic component designs and details, as specifications, and as planning options that could be put together to form an integrated composite design. The components may range from: cabinet details, classroom lockers, bicycle racks, cold weather entries, and roof skylights to systems such as classrooms, toilet rooms, and kitchens, or kitchen components, to total core units with multiple classroom possibilities. Also included could be roofing systems, fuel storage, mechanical systems, and a variety of construction details.

## 2. To u Use of prototypical-prototype design submittals as scoring criteria for CIP

### applications:

A. ~~Qualifying~~ prototype design documents may be used to ~~in~~ ~~establishing~~ district progress toward the completion of the planning and design phases and this progress may be ~~to~~ ~~used~~ ~~to this progress in~~ ~~evaluating~~ the **planning & design scoring element** ~~of the scoring criteria for CIP applications~~. Generally, subject to approved CIP application and instructions documents:

- i. Planning tool uses, as identified in 1.A., may qualify a CIP application as meeting Concept Design requirements provided the application establishes the similarities and differences between the prototype design and the proposed design.
- ii. Design uses, as identified in 1.B., may qualify a CIP application as meeting Schematic Design requirements provided the application provides commensurate drawings and narratives documenting anticipated changes.
- iii. Design uses as identified in 1.C., may qualify a CIP application as meeting Design Development requirements provided the application provides information supporting that such use meet education planning objectives without substantive changes.

~~E.B.~~ Qualifying prototype design and prototype building system documents may be used for the scoring element evaluating the cost effectiveness of using a prior school design.

~~2.3.~~ The role of the Department of Education & Early Development regarding use of prototype designs and prototype building systems is to act as a resource and facilitator for school districts choosing to use this design approach. To this end, ~~the facilities section~~ DEED Facilities will ~~shall~~ work with school districts and ~~architects~~ design professionals in collecting, publishing, and distributing a series of “advisories”. ~~The “Advisories will note “good” solutions and possible corrections to “bad” solutions to both generic and specific issues of a programmatic and/or technical nature relative to facilities designs.~~ Best Practices/Lessons Learned, primarily within the Alaska School Design and Construction Standards.

### Definitions

**Prototype Design:** consists of design and construction documents for a school facility that are proposed for reuse in providing a substantially identical subsequent school facility. Acceptable deviations from original documents include those for adaptation to differing site conditions and updated building codes.

**Prototype Building System:** consists of design documents or similarly detailed descriptions documented in a published district standard, of building systems or components proposed for reuse in providing a substantially identical system that is part of a school facility.

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## Processes for Budget Constrained Projects BRIEFING PAPER

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**By:** Tim Mearig  
Facilities Manager

**Date:** November 23, 2021  
Revised June 15, 2022

**Phone:** 465-6906

**File:** G:\SF Facilities\BR\_GRCom\  
Papers\CIP\Addl Project Funding BP.docx

**For:** Bond Reimbursement & Grant  
Review Committee

**Subject:** Budget Constrained Project Options

### Background

Under 4 AAC 31.023(c), the department establishes an agreement with entities receiving an award or allocation of state aid for a school capital project. In that agreement, a recipient entity and the Department of Education and Early Development (DEED) come to an agreement on the project's objectives, and outline a cost-effective, eligible scope to accomplish those objectives. A prescribed budget for that objectives-driven eligible scope is also defined in this agreement. During the project's design, the eligible scope is further defined while balancing objectives, value, and budget. The department publication *Capital Project Administration Handbook* addresses this process of scope refinement which culminates in approved 95% Construction Documents. These approved documents, inclusive of any approved bid alternates, establish the anticipated final eligible scope for the project within the available budget.

#### Scope Completion Expectations

Because the eligible scope of a project is drawn from the CIP application process which, for grants at least, prioritizes that work scope against all other projects and assigns an appropriate priority, it is assumed that the full eligible scope of the project will/should be completed. It could be argued that lesser scope may have resulted in a different priority which, in turn, may have impacted an award.

Often, whether at bid opening or later in the construction phase, it becomes apparent that the budget, inclusive of project contingency, will allow the inclusion of additional eligible scope. This process of additional work approval (versus new work) is also covered in the *Capital Projects Administration Handbook*. At other times—despite best efforts—market factors, unforeseen conditions, and other impediments can cause the project budget, inclusive of project contingency, to become inadequate to accomplish even the eligible scope approved in the 95% documents and issued under a construction contract. When a project 'goes south' like this, often the only recourse is for the recipient entity to add its own funds to try and either complete the original scope, or to implement an acceptable reduced-scope alternative. In rare instances, budget pressures apparent during design may even result in an inability to meet the stated project objectives. In these cases, projects stall at Construction Documents with no number of value-modification efforts resulting in a viable scope which meets the project's objectives.

This paper explores appropriate responses to these last scenarios: 1) projects with budgets unable to support completion of eligible scope approved at contract award, and 2) projects with budgets unable to achieve stated project objectives in approvable 95% Construction Documents. It also considers the impact of incomplete work on future prioritization.

### Considerations

When is a project determined to be “overbudget”? At a certain design stage estimate, at construction contract award, at construction contract termination, or at project closeout? Is a project eligible that is overbudget in construction or in overall project after reallocation in budget categories?

## Discussion

### Manage Available Appropriated Funds

Historically, the primary means of responding to the two target issues noted above has been to analyze the total project funding and see if other budget categories might have available funds that could be moved to Construction. A first review is often made of Contingency to see if the project’s complexity and unknowns truly require the targeted 5% of construction. Other project-adders such as Design, District Overhead, and even Equipment are often reviewed. Since these transfers require DEED approval, the department has a final determination using reasonable justification. Recipients could appeal a decision under 4 AAC 40.

#### *Example*

*In execution of the Lower Kuskokwim School District GR-14-014 Nightmute Renovation/ Addition project, the original bid design came in significantly overbudget and was not awarded. Additional value engineering and alternatives were developed, and the project rebid. The new bids received were still over the construction budget, so approx. \$2.5M was transferred from other budget lines, primarily Construction Management by Consultant and District Overhead, to construction along with additional district funds of \$1M.*

### Allocations from Fund Balances

Prior to FY17, additional state aid to resolve the two target issues noted above was received exclusively as a result of legislative reappropriation. It very rarely occurred due to the complexities of that process. However, in FY08, HB 53 provided \$48M in additional funding for eight projects funded in FY06 and FY07 demonstrated to be underfunded in their initial appropriation. A majority of the shortfalls were attributed to unforeseen material and labor costs increases resulting from the China Olympics and Hurricane Katrina.

In FY17, with the support of an AG memo, the department allocated additional amounts from the available balance in the REAA and Small Municipal District Fund to resolve scope and budget constraints on two projects without a legislative appropriation. This was repeated on additional projects funded in FY18 and FY21.

### Examples

*In FY17, significant reductions to project budgets were made at award to reflect the reduction made to the REAA Fund allocation.*

*In FY18, the GR-17-004 Huslia K-12 School Renovation/Addition project received an additional \$980K allocation from the REAA Fund, with the majority allocated to a “REAA Fund Reserve” until the full amount was transferred to the Construction line for the construction contract and approved additional work.*

*In FY18, the department awarded approximately \$704K from the REAA Fund balance to the GR-17-003 Tuntutuliak K-12 School Renovation/Addition project to accomplish a specific key project objective of the state.*

*In FY19, the Bering Strait School District was awarded an additional \$490K and reallocated funds from other budget lines in the GR-18-002 Shishmaref K-12 School Renovation/Addition project in order to meet the construction contract GMP.*

While this method has proven somewhat successful using the REAA fund, similar actions have not been affected using either of the other two statutory funds, the School Construction Grant Fund and the Major Maintenance Grant Fund. Often, the amount available in the fund balance is significantly below what is needed by a project. In other instances, matters related to the original priorities of projects with known shortfalls and those with potential shortfalls surfaces. This raises the question of how the department should respond in determining equitable allocations when there are insufficient funds or competing priorities. Potential allocation options include:

- At the end of each fiscal year, calculate the balance of funds available based on each fiscal year allocation and allocate additional funds to another project(s) within that same grant fiscal year.
- At the end of each fiscal year, calculate the fund balance and allocate additional funding from the oldest project need to present (e.g. an overbudget project awarded in FY17 would receive funding prior to a project awarded in FY18).
- At the end of each fiscal year, calculate the fund balance and prorate allocations of additional funding to all overbudget projects.
- Prepare a rubric for determining priority of funding; potentially based on reason for being overbudget: no construction bidder within budget, alternatives awarded, change orders.

It's clear that there are a lot of complexities involved in arriving at an equitable allocation. The complications make this method impractical to implement in many cases.

### **District Application for Additional or Supplementary Funding**

A third solution to addressing the two targeted issues has been to accept follow-on CIP applications for the incomplete scope.

### Examples

*The Annette Island School District (AISD) submitted an additional funding request for its elementary school renovation in the FY2009 CIP cycle, supplementing an FY2006 award of an ongoing project.*

*In FY2011, AISD submitted an application to fund alternates to the ongoing high school renovation project awarded in FY2009. This application was scored on its own scope, with score*

*varying from the original application. In FY2018, an additional grant to reimburse the district expenses for additional kitchen renovation scope was allocated to AISD.*

In years of sustained funding, it is easier for districts to submit supplemental funding requests for projects that may require additional funds to complete the project as designed or to add new scope. In successive years of limited funding this strategy is not viable for most districts that may have limited capital reserves to carry over until it can receive reimbursement.

### **CIP Phased Funding**

Regulation 4 AAC 31.022(c)(7) requires the CIP application to take into account whether a project has been phased for funding purposes during development of the CIP lists and or during the award of a grant (ref. 4 AAC 31.022(f) and 4 AAC 31.023(b)). These phases are those identified in the application as “planning”, “design”, and “construction”.

#### **Reduced & Phased Projects**

Under 4 AAC 31.023(b), the department and a recipient may agree to a reduction in the scope of a project when considering a lack of available funds for an allocation necessary to complete the full scope of the project. The parties may also agree the project could be accomplished in phases and agree to the award for an initial phase. Both of these opportunities, while rarely executed, raise similar issues as to the mechanism for addressing removed scope or subsequent phases.

The regulation does not allow increased scoring consideration for a project application that is seeking supplementary funds beyond those awarded. The application instructions note that this scoring is for a project that was “administered under AS 14.11 as partial funding” and “was intentionally short funded.”

Because this scoring criteria is identified only in regulation and not statute, the State Board of Education & Early Development (SBOE) could amend the regulation to allow a scoring consideration for an un-phased project that was awarded funds insufficient to complete the project scope. The BRGR Committee would then decide on the appropriate point assignment within the application approval process relative to the deliberately phased project scoring.

## **Options**

### **Option Case Study #1**

The Bristol Bay Borough School District (BBBSD) applied for and received a grant (GR-19-010) in FY19. The total project eligible amount was \$13,022,823. Construction was budgeted at \$10,387,559. The borough has a participating share of 35%. The project objective was stated as, “renovation of the Bristol Bay School that will reconfigure space and correct code deficiencies.” Additional detail was provided in five system categories.

During design, repeated adjustments were made to the project's specific scope to align with the available Construction budget. This included removal of scope items not covered in the application request, and potential DEED-approved alternate work items at 65%DD. The project was approved for an alternate project delivery method under CM/GC. The GMP offered by the highest ranked offeror was \$8,989,227. Scope definition continued under the CM/GC process and a final GMP amendment was issued at \$10,528,723. Five alternate items were also approved by DEED and carried as eligible work at contract award.

During construction, there were multiple RFI and ASI issues some of which resulted in issued change orders. However, two unforeseen conditions related to dry-rot and asbestos resulted in extensive cost overruns. In addition, the contractor made claims related to Covid-19 protocols related to travel and Covid-19 supply chain impacts. DEED did not participate in any claims negotiations, but our understanding is those came to approx. \$2M. We have not communicated any position regarding the eligibility of the settled claims and change orders.

In August 2021, DEED executed an amendment to the Project agreement using the practice outlined in this paper as *Manage Available Appropriated Funds* and reallocated all Contingency and parts of Equipment and District Administrative Overhead to Construction bringing the Construction budget to \$11,148,837. Based on recent communications, the borough is poised to submit a request to DEED for approx. \$2M in state-aid to cover the projects full cost of construction. The project was funded from the Major Maintenance Grant Fund. The fund's current balance cannot support this request.

After exhausting opportunities based on reallocation of appropriated funds, and on additional award for eligible work based on fund balance, what options should there be for this project and the recipient entity? (See *Options* below).

### **Option Case Study #2**

The Nome City School District (NCS D) applied for and received a grant (GR-19-018) in FY19. The total project eligible amount was \$2,223,488. Construction was budgeted at \$1,750,778. The city has a participating share of 30%. The project objective was stated as, "replace approximately 48,388 sf of roofing at Nome Beltz Jr/Sr high school." Additional detail was provided regarding abutting and adjacent building elements.

The project had a slow start with the first year being given to advertising for and selecting a design consultant. As design progressed during Spring 2020, cost estimates of the preliminary design were coming in above the budgeted Construction funds. A March 13 estimate showed costs of \$3,462,000. Renewed work in September 2020 resulted in a bid solicitation in February 2021 that included three additive alternates in order to establish a base bid scope within the budgeted construction funds. The owner's estimate for the project was \$3,358,500. One bid was received totaling \$4,052,009 with the base bid coming in 9% over the Construction budget.

After minor value analysis adjustments, including three alternate bid items and efforts to make the schedule as attractive as possible, the project was rebid a year later in March 2022. Again, a single bid was received this time with a total cost of \$8,878,000 and a base bid of \$3,627,000—107% over the Construction budget and ~\$182/sf.



After extensive rescoping, re-packaging, and two failed bid attempts, what options should there be for this project and the recipient entity?

### **Option 1**

Projects overbudget by at least \$50,000 may submit an application for additional funding. Requests could be for additional funds to the full project scope or specific to additional alternates supplementary or not allowable under the current approved project scope. This option is currently allowable under department and CIP procedures. However, its implementation could be hampered by uncertainty, in Case Study #1, surrounding the eligibility of the work as it pertains to 4 AAC 31.061 and 062. These administrative code provisions restrict eligibility for costs that arise out of changes and claims from unavoidable, unforeseen circumstances not a result of imprudent management. There is also uncertainty in how a CIP project would be handled for Case Study #2. Would a project application at \$8.9M Construction be accepted based on bid results?

### **Option 2**

Since the eligible scope of both case study projects was drawn from the CIP application process which prioritizes that work scope against all other projects and assigns an appropriate priority, it could be assumed that the full eligible scope of the FY19 project should be funded prior to subsequent year projects. If not outright moved to the top of the priority list, maybe at least some point consideration should be given to this category of project similar to that provided to ‘intentionally phased projects.’ This proposal would require the State Board of Education & Early Development to amend regulation 4 AAC 31.022(c) to allow scoring consideration for non-phased, insufficient prior funding and amend future CIP applications accordingly.

## **Recommendation(s)**

### **Recommendation 1**

Prepare immediate CIP application guidance to better address the variables and parameters of overbudget projects returning to the list (e.g., procurement issues, change order and claim review issues, etc.).

### **Recommendation 2**

Review options for a scoring increment for projects with prior AS 14.11 awards that require additional funds to meet the intended scope of the project.

School Space

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**SUBCOMMITTEE REPORT**

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June 16, 2022

**Mission Statement**

Review accuracy and adequacy issues relative to the state’s space allocation guidelines and recommend updates that support the board of education’s mission and vision for Alaska public education.

**Current Members**

Dale Smythe, Chair  
James Estes  
David Kingsland  
Scott Worthington  
Jobe Bernier

Victor Valenote  
Larry Morris  
Kathy Christy  
Ryan Butte  
Dana Menendez

Lori Weed  
Wayne Norlund  
Tim Mearig

**Status Update**

Subcommittee members met on February 17, 2022, March 17, 2022, April 21, 2022, May 19, 2022, and June 16, 2022. Discussions have primarily been about the following: 1) whether K-12 school types have enough space in the formula to accommodate unique rural school needs of utilities and storage and 2) a change in per student GSF allocation or measurement definition of GSF to accommodate differences in exterior wall construction. Introductory information on allowable space calculations (see attached ‘Primer’) and a possible anomaly in mid-population K-12 scenarios in the GSF allocation formula.

**Ongoing Discussion Item(s) for BRGR Input**

K-12 Space Allocation Formula

- Should a combined K-12 school always have more space than the equivalent separate elementary and secondary schools?

**Proposed Recommendation(s) for Discussion**

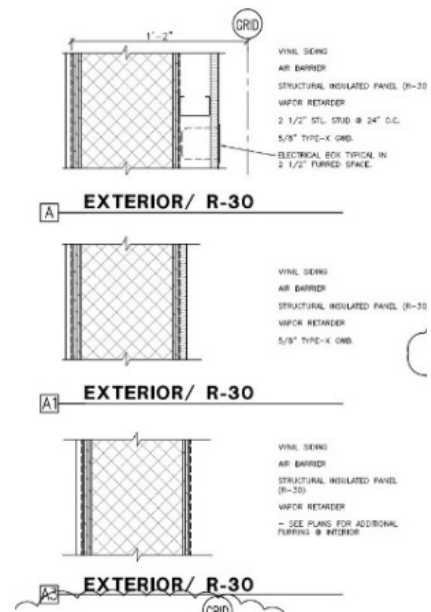
Recommendation 1

Proposed edit for 4 AAC 31.020. Guides for planning educational facilities

(e) For the purposes of this section, the space of a building is the sum of the areas of the floors of a building in [~~gross~~] square feet. The floors of a building include a basement, a mezzanine, an intermediate floored tier, and a penthouse of headroom height. Space is measured from the **interior** [~~exterior~~] face of an exterior wall or from the centerline of a wall that separates a building. For the purposes of calculating a building's [~~gross~~] square footage, the...

Subcommittee support statements:

- The point of measurement should not limit the potential wall assembly R-value for any school. Assemblies and R-values will be constrained by adopted energy standard (ASHRAE) and the *Alaska School Design & Construction Standards*.
- The base GSF allocation can be modified to accommodate the incremental difference in points from which space is measured. See attached calculation showing minimal change.
- Available budget and department review of drawings will be the limiting factor for unique space needs of food storage and water/wastewater treatment.



Potential issues for consideration:

- How budget will be determined by department in planning/concept stages.
- Definition of “interior face” [e.g. inside finished surface of the wall vs back of gypsum board.]
- Keeping “gross square footage” vs. changing to “square footage” or “total square footage”, which would need cleanup changes throughout 4 AAC 31.

## Recommendation 2

Potential additional edits to 4 AAC 31.020. Edit the allowances in 4 AAC 31.020(e)(2):

(2) following allowances above the gross square footage calculated in (c) of this section are permitted:

(A) covered exterior areas not conditioned with heating or cooling ...;

(B) space to support water storage, water treatment, or sewer treatment to a maximum of X [~~five~~] percent **each** of a building's gross square footage; **and**

**(C) space to support dry and frozen food storage to a maximum of five percent of a building's gross square footage.**

And edit 4 AAC 31.020 to add a new variance subsection:

**(I) Notwithstanding (a) - (h) of this section, the commissioner will approve a variance from the limitations on allowable space in a school set out in this section for space that is in excess of an allowance provided in in (e)(2) of this section if the request meets the requirements of this subsection. The request must be made by a district, in writing, and meet the following:**

**(1) defines a specific need;**

**(2) provides support that the additional requested space provides a cost-effective solution for a school capital project or for long-term district operational costs.**

Subcommittee support statements:

- Rural schools have unique needs for water and wastewater treatment-related GSF that are often larger than the current allowance.
- Recommend there be a variance request process to be individually reviewed by DEED. It would be separate from any standard allowable and allowances. Minimum required for a functional/maintainable cost-effective system.

Potential issues for consideration:

- Does K-12 space allocation formula need to be revisited (reduced) if space variances are provided for the unique rural space needs of storage and utility?

### **Schedule**

September 2022

October 2022

November 2022

December 2022

### **Attachments**

1 – Primer on Allowable Space for the School Space Subcommittee

2 – Calculations on exterior wall face vs. interior wall face

## Primer on Space for the School Space Subcommittee

The DEED regulation that speaks to all eligible space issues is contained in 4 AAC 31.020, specifically subsections (c) – (k).

### Eligible Square Footage and Calculations

Subsection (c)(1)-(6), and (10) identifies the base and supplementary space per average daily membership (ADM) (essentially the school enrollment) depending on ADM type (elementary or secondary) and school facility type (elementary, secondary, K-12, mixed grade, secondary plus 6<sup>th</sup> grade).

Generally, elementary ADM is allowed 114 square feet, secondary ADM is allowed 165 square feet. Additional ‘supplementary’ space is assigned based on school type and total school ADM. The supplementary space per student allocation decreases as the total school ADM increases.

#### Supplementary GSF Calculations

- Elementary School:  $130 \times 10^{(-ADM/250)}$
- Secondary School:  $300 \times 10^{(-ADM/300)}$
- Combined Elementary and Secondary (K-12):  $213 \times 10^{(-ADM/483)}$
- Mixed Grade School (e.g., K-8, 6-8):  $250 \times 10^{(-ADM/250)}$

### Measuring

Subsection (e) sets the standard for measuring eligible GSF:

The space of a building is the sum of the areas of the floors of a building in gross square feet. The floors of a building include a basement, a mezzanine, an intermediate floored tier, and a penthouse of headroom height. Space is measured from the exterior face of an exterior wall or from the centerline of a wall that separates a building.

### Exclusions

The following areas identified in paragraph (e)(1) are not counted when determining whether a facility is within the eligible square footage:

- Utility distribution area with a ceiling height below seven feet and a floor assembly not sized to support an occupant load according to applicable state and municipal building codes.
- Pipe chase.
- Exterior terrace or steps.
- Chimney.
- Roof overhang (see allowances below).

### Allowances

Specific additional spaces above the eligible GSF calculations are allowed under paragraph (e)(2):

- Covered exterior areas not conditioned with heating or cooling (equal to the greater of 15 percent of a building's gross square footage or 3,000 GSF to a maximum of 9,000 GSF).
- Space to support water storage, water treatment, or sewer treatment to a maximum of five percent of a building's gross square footage.

## Variations

Allowable variations can be grouped into four categories. Combined variations for a school may not exceed 20 percent of the eligible GSF.

- Unique Program – subsection (c)(7) – space a unique educational program not envisioned by the educational facility planning guides is required to meet the needs of the population to be served and providing the unique program prohibits the standard educational program from having sufficient space or is in the best interest of the state. Variance must be requested annually (see subsection (g)).
- Rehabilitation Inefficiencies – subsection (c)(8) – space additional space needed for a specific construction inefficiency caused by a rehabilitation or addition. Request for not more than 15 square feet per projected ADM for new projects that propose the rehabilitation of or addition to an existing facility and not more than 20 square feet per current capacity for existing schools that have, at some previous point, experienced a rehabilitation of or addition to an existing facility.
- Joint Use – subsections (i) and (j) – space used by the school and another entity for which there is a formal binding agreement regarding use, initial capital costs, operating costs, future capital costs. Variance is limited to the GSF the other entity accepts responsibility for (typically determined by a percentage).
- Oversized Core Area – subsection (k) – this variance primarily supports the use of a standard model school (could be a prototype design) even if the immediate population projection does not support its full size or ADM (i.e., build the full core, add classrooms later).

## Regulation

Text of regulation 4 AAC 31.020 (less subsections (a) and (b), which speak to planning publications):

(c) Notwithstanding (a)(1) of this section, for the purpose of determining funding for a school capital project under AS 14.11, the square feet allowable must be determined under this subsection based on the grade levels offered in the school. The base square feet allowable per average daily membership (ADM) and supplemental square feet allowable per ADM are calculated, and additional square footage is approvable, as follows:

- (1) the base square feet allowable per ADM for an elementary school is 114 square feet;
- (2) the supplemental square feet allowable per ADM for an elementary school is  $130 \times 10(-ADM/f/250)$ ;
- (3) the base square feet allowable per ADM for a secondary school is 165 square feet;
- (4) the supplemental square feet allowable per ADM for a secondary school is  $300 \times 10(-ADM/f/300)$ ;
- (5) the base square feet allowable per ADM for a combined elementary and secondary school is 114 square feet per elementary ADM and 165 square feet per secondary ADM;
- (6) the supplemental square feet allowable per ADM for a combined elementary and secondary school is  $213 \times 10(-combined ADM/f/483)$ ;
- (7) a district may request the commissioner to approve a variance for additional space for a school; the request for each variance must be in writing; all requested variations, taken together may not exceed 20 percent of the gross square feet allowable for the school; the commissioner will approve the request, subject to (g) of this section, and will apply the variance to both planned and completed schools, if the commissioner finds
  - (A) that a unique educational program not envisioned by the educational facility planning guides set out in (a) of this section is required to meet the needs of the population to be served by the school; and

(B) at least one of the following:

(i) that the district has demonstrated that additional space is required to adequately house the unique educational program and that the effect of accommodating the additional space without a variance prohibits the remainder of the population served by the school from having sufficient space for standard educational programs;

(ii) that the added space is necessary to meet the needs of the educational program and is in the best interests of the state;

(8) the commissioner, at the request of the district, may approve a variance for additional space of not more than 15 square feet per projected ADM for new projects that propose the rehabilitation of or addition to an existing facility and not more than 20 square feet per current capacity for existing schools that have, at some previous point, experienced a rehabilitation of or addition to an existing facility; the commissioner will approve a request under this paragraph only if the district's request is supported by an explanation of the reasons for the request that demonstrates

(A) the specific cause of each impact;

(B) the square feet affected by the cause of impact; and

(C) the reason for this condition merits an exception;

(9) the base square feet allowable per ADM for a mixed grade school is 114 square feet per elementary ADM and 165 square feet per secondary ADM, except that for a mixed grade school that includes grade six in conjunction with two or more secondary grades located in a separate school facility, the base square feet allowable per ADM is 165 square feet per grade six ADM;

(10) the supplemental square feet allowable per ADM for a mixed grade school is  $250 \times 10(-\text{combined ADM}/f/250)$ .

(d) The department will reduce a project budget in proportion to the amount that the project's design exceeds the square feet allowable as determined under (c) of this section, until an agreement, as described in 4 AAC 31.023(c), is fully executed. The department may proportionally reduce the project budget under this subsection if a project has not secured the approval of the commissioner under 4 AAC 31.040.

(e) For the purposes of this section, the space of a building is the sum of the areas of the floors of a building in gross square feet. The floors of a building include a basement, a mezzanine, an intermediate floored tier, and a penthouse of headroom height. Space is measured from the exterior face of an exterior wall or from the centerline of a wall that separates a building. For the purposes of calculating a building's gross square footage, the

(1) building's gross square footage does not include

(A) a utility distribution area with

(i) a ceiling height below seven feet; and

(ii) a floor assembly not sized to support an occupant load according to applicable state and municipal building codes;

(B) a pipe chase;

(C) an exterior terrace or steps;

(D) a chimney; or

(E) a roof overhang; and

(2) following allowances above the gross square footage calculated in (c) of this section are permitted:

(A) covered exterior areas not conditioned with heating or cooling

(i) equal to the greater of 15 percent of a building's gross square footage or 3,000 gross square feet; and

(ii) to a maximum of 9,000 gross square feet;

(B) space to support water storage, water treatment, or sewer treatment to a maximum of five percent of a building's gross square footage.

(f) Repealed 6/17/2010.

(g) A request to approve a variance for additional space made and approved under (c)(7) of this section expires on the first day of October following the one-year anniversary of the commissioner's approval of it unless the district certifies to the department, no later than that date, the continued existence of the unique educational program described in (c)(7)(A) of this section for which the additional space was approved.

(h) Notwithstanding (c) of this section, the commissioner will deny or disallow a determination of allowable space under (c)(1) - (6), (9), and (10) of this section and will deny a request to approve a variance for additional space under (c)(7) and (8) of this section if the commissioner finds that the space determination or approval of the request is the result of a choice in educational delivery by the school district that could be eliminated by a redistribution of school age populations between attendance centers in the attendance area.

(i) Notwithstanding (a) - (h) of this section, the commissioner shall approve a variance from the limitations on allowable space in a school set out in this section for space that is jointly used by the school and another entity, if the request meets the requirements of this subsection and the department determines that the sharing entity is able to participate as specified in the agreement. The request must be made by a district, in writing, and meet the following:

(1) the space that is jointly used is subject to a formal binding agreement between the district and the entity sharing use; the agreement must cover allocation and method of sharing between the district and the entity of the following:

- (A) the operating costs for the jointly used space for the life of the facility;
- (B) future capital costs for the life of the facility;
- (C) the initial capital costs for a new or remodeled facility only;

(2) the variance requested is limited to the amount of square footage that the entity sharing space accepts responsibility for in the agreement described in (1) of this subsection;

(3) a copy of the agreement described in (1) of this subsection is submitted with the request for variance.

(j) A variance approved under (i) of this section is no longer valid if the agreement upon which the variance was based is amended or terminated. If the agreement is amended or terminated, the district shall immediately notify the department and submit any new request for a variance in accordance with (i) of this section.

(k) Notwithstanding (a) - (h) of this section, the commissioner will approve a variance from the limitations on allowable space in a school set out in this section for space that is provided in oversized core areas, if the request meets the requirements of this subsection. The request must be made by a district, in writing, and meet the following:

- (1) the district requesting the variance has an established standard for educational delivery that
- (A) defines a specific school program;
  - (B) establishes a standard student population to be served by the program; and
  - (C) has an educational specification approved under 4 AAC 31.010 for that program;

(2) the oversized core areas for a future project are sized proportionate to that size required in the project's educational specifications to accommodate a student population projected in accordance with 4 AAC 31.021(c)(3), and projected for an additional five years at the growth rate accepted for the initial projection, not to exceed 130 percent of the initial projection;

(3) the individual core areas of an existing facility, when combined, exceed the square footage of that core area stated in the educational specification to a maximum of 10 percent of the gross square footage of the facility.



# Calculations On Exterior Wall Face vs. Interior Wall Face

School	Current GSF Calc	First Floor Wall Difference	Second Floor Wall Difference	Total Difference from GSF to Proposed	% Diff
Scammon Bay K-12	43,837	-1269	-332	-1601	-4%
Hooper Bay K-12	73,864	-1089	-579	-1668	-2%
Napakiak K-12	22,892	-692	na	-692	-3%

