



Sectional Summary

HB 133

School Construction Grants/Small Municipalities

HB 133 makes a limited number of small municipal school districts eligible for school construction funding through the account currently known as the Regional Educational Attendance Area School Construction Fund (REAA Fund).

(Regional Educational Attendance Areas are areas within unorganized boroughs that have been formed to facilitate the administration of education between communities in the area. One might regard an REAA as a school district within an unorganized borough.)

Section 1 adds language to AS 14.11.025 that provides that the Department of Education and Early Development may provide grant funding for school construction from the REAA Fund to “small municipal school districts,” which are defined in subsequent sections of the bill.

Also in this section, the formula used to calculate the amount of the annual deposit to the REAA Fund is amended. The change provides that the percentage of municipal school districts that are eligible for the REAA Fund will not be included in the percentage of municipal school districts by which the annual debt service is divided in the formula.

Section 2 adds a new subsection to AS 14.11.025. It defines “small municipal school districts” according to a two-part criterion.

Part One: The small municipal school district’s Average Daily Membership (as defined in AS 14.17.990) cannot exceed 300.

Part Two: When the district’s full and true value of taxable real and personal property is divided by its Average Daily Membership (ADM), the result must be \$500,000 or less.

This formula helps to identify districts that lack bonding capability. Its “full value per ADM” component has precedent elsewhere in statute (AS 14.11.008), where it is used to determine school districts’ participating shares in the major maintenance grant program.

Section 3 amends AS 14.11.030(a) to rename the REAA Fund and note that it is to be used for school construction in Regional Educational Attendance Areas and qualifying “small municipal school districts.”

Section 4 adds a new subsection to AS 14.11.030 to provide that “small municipal school district” is defined the same way it is in AS 14.11.025 (Section 2 of the bill).