



NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Ambler · Buckland · Deering · Kiana · Kivalina · Kobuk · Kotzebue · Noatak · Noorvik · Selawik · Shungnak
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February 24, 2017

Representative Harriet Drummond
House Education Committee
House of Representatives
Juneau, Alaska 99801-1182

Dear Madam Chair,

The Northwest Arctic Borough School District wholeheartedly endorses House Bill 135, a bill addressing the participation in the school construction grant program allowing the Commissioner of Education to grant an extension of the time limitation for the identification of the required local participating share of grant funding.

Currently, the statutes require that the local match be identified within three years of the approval of the legislative appropriation of grant funding. There is no provision for the consideration of exceptional circumstances that warrant additional time to secure the match. This bill recognizes that such situations may occur from time to time and allows Boroughs and Districts to justify and petition the Commissioner for an extension. Without such an extension, there is a potential that a critically needed school project might be forced to forfeit the State appropriation when all that is needed is more time to secure additional local funding sources.

The existing State regulations for administration of the school construction grant program protect the State's interests and assure the local match is provided. The Department releases grant funding to recipients only after specific milestone conditions are met. The payments are a percentage of only the State share of the project amount and in addition, 5% of the state share is withheld until the source of the local match is identified. There is not a danger of the State over reimbursing a project.

Not only is the State facing restricted funding, so are local governments. Incorporating some flexibility into the provision for local match will allow local governments more time to fund their share of the cost of a greatly needed school facility upgrade.

MISSION: To provide a learning environment that inspires and challenges students and employees to excel
VISION: To graduate all students with the knowledge, skills, and attitudes necessary for a successful future

Admittedly, the Northwest Arctic has a project that would benefit from this bill and the Kivalina Replacement School project is a perfect example of why a provision for exceptions is needed. In April 2015, the legislature appropriated partial grant funding for the Kivalina Replacement School. At that time the clock started ticking to secure the local share. However, the grant agreement has not yet been executed for several reasons beyond the control of the Borough and District. For FY 2016 a moratorium was placed on approval of the grant pending legislative consideration of the balance of funding.

Another complication is construction of the project cannot begin until an access road is constructed as a separate project. The road development is proceeding in conjunction with DOT/PF, but it is not scheduled to be complete before the three-year deadline for the match expires. Without an approved grant agreement, it is difficult to apply for other grant funds that could be used as part of the local share.

House Bill 135 will delegate to the Department discretion in extraordinary circumstances to allow projects such as Kivalina Replacement School to move forward without the potential of having to forfeit appropriated funding, and to continuing managing risk to the State and local entities and support the improvement of educational conditions for the children of Alaska.

Respectfully yours,



Dr. Annmarie O'Brien
Superintendent

cc: Senator Olson
Representative Westlake