

ALASKA STATE LEGISLATURE

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Session

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SPONSOR STATEMENT SENATE BILL 208 SCHOOL CONSTRUCTION BOND DEBT

This legislation is designed to encourage small and rural school districts to address facility improvement needs by issuing debt versus obtaining grants through the school construction grant program.

AS 14.11.008(b), which is current law, establishes a formula for determining participating share under the school construction grant program for each school district. The formula is calculated by dividing the full and true value of the taxable real and personal property in the district by the school district's ADM or average daily membership.

There are currently 14 school districts with ability to issue debt that have a participating share of 20% or less under this formula. However, if these districts address the same facility requirement under the school construction debt reimbursement program, the participating share for these types of projects is 30%.

SB 208 consists of two sections plus an effective date clause:

Section 1 inserts new language into the school debt reimbursement statute starting on page 6, line 25. The new language provides for 80% state participation in projects approved by the commissioner of education and early development (which means projects that meet state space standards and would qualify for 70% state participation under current law), for a municipal school district that meets or exceeds the 20% participating share requirement under AS 14.11.008(b). This provision applies to new projects approved by the voters on or after June 30, 2014.

Section 2 starts on page 7, lines 5-16. It creates uncodified law allowing the same participating share of 80% for any projects (1) approved by the commissioner for 70% debt reimbursement, (2) the district meets or exceeds the 20% share requirement under the construction grant program, and (3) the project was approved by the voters on or after January 1, 2013.