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SB 158 - Sponsor Statement

SCHOOL GRANTS AND BOND DEBT REIMBURSEMENT

" An Act relating to funding for school construction and major maintenance; relating to school bond debt reimbursement; and providing for an effective date."

For years, communities across Alaska have faced significant challenges in maintaining and upgrading educational facilities to meet the evolving needs of our students and educators. The health and safety of our children, as well as the quality of their educational environment, are foundational to their success and, by extension, to the future prosperity of our state. One avenue the state has established to help with the aforementioned maintenance challenges is the allowance of school bond debt reimbursement. Unfortunately, due to serious revenue shortfalls the legislature placed a moratorium on the issuance of new school bond debt in 2015 and extended the moratorium again in 2020.

School bonds are an important tool for districts to help build new schools and keep older facilities running. Bonds pay for a variety of construction and maintenance projects, such as new boilers, roof replacements, security improvements, and more. School districts spend a substantial amount on regular maintenance out of their operating budgets to keep their buildings in good repair and their students and staff in safe and healthy schools. In the past there have also been cases where bonding was used for purposes that could be described as luxuries and not critical infrastructure. The goal of this legislation is to establish trust that the program is only being used for vetted and critically needed programs and not new playground equipment or school concession stands as has been used in the past.

SB 158 amends existing statutes to enhance the eligibility criteria for grants and bond debt reimbursement. This includes a more structured approach to planning ensuring that projects are not only necessary but are also executed with foresight and fiscal responsibility. Furthermore, the modifications proposed in SB 158 to the criteria for bond debt reimbursement are designed to prioritize the most critical projects while encouraging municipalities to engage in thorough planning and maintenance practices. This ensures that the support provided by the state is both effective and equitable, maximizing the impact of public funds on our educational environment.

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