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**SENATE CS FOR CS FOR HOUSE BILL NO. 212(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES FOSTER, Westlake, Wilson, Tuck, Stutes**

**A BILL**

**FOR AN ACT ENTITLED**

**"An Act relating to funding for school construction and major maintenance; relating to the regional educational attendance area and small municipal school district fund; and providing for an effective date."**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**\* Section 1.** AS 14.11.013(a) is amended to read:

(a) With regard to projects for which grants are requested under AS 14.11.011, the department shall

(1) annually review the six-year plans submitted by each district under AS 14.11.011(b) and recommend to the board a revised and updated six-year capital improvement project grant schedule that serves the best interests of the state and each district; in recommending projects for this schedule, the department shall verify that each proposed project meets the criteria established under AS 14.11.014(b) and qualifies as a project required to

(A) avert imminent danger or correct life-threatening

situations;

(B) house students who would otherwise be unhoused; for purposes of this subparagraph, students are considered unhoused if the students attend school in temporary facilities;

(C) protect the structure of existing school facilities;

(D) correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program;

(E) achieve an operating cost savings;

(F) modify or rehabilitate facilities for the purpose of improving the instructional program;

(G) meet an educational need not specified in (A) - (F) of this paragraph, identified by the department;

(2) prepare an estimate of the amount of money needed to finance each project;

(3) provide to the governor, by November 1, and to the legislature within the first 10 days of each regular legislative session, a revised and updated six-year capital improvement project grant schedule, together with a proposed schedule of appropriations;

**(4) encourage each school district to use previously approved school construction design plans and building systems if the use will result in cost savings for the project;**

**(5) consider the regionally based model school standards developed under AS 14.11.017(d).**

\* **Sec. 2.** AS 14.11.013(b) is amended to read:

(b) In preparing the construction grant schedule, the department shall establish priorities among projects for which grants are requested and shall award school construction grants in the order of priority established. In establishing priorities the department shall evaluate at least the following factors, without establishing an absolute priority for any one factor:

(1) emergency requirements;

- 1 (2) priorities assigned by the district to the projects requested;  
2 (3) new local elementary and secondary programs;  
3 (4) existing regional, community, and school facilities, and their  
4 condition; this paragraph does not include administrative facilities;  
5 (5) the amount of district operating funds expended for maintenance;  
6 [AND]  
7 (6) other options that would reduce or eliminate the need for the  
8 request;  
9 **(7) the district's use of previously approved school construction**  
10 **design plans and building systems if the use will result in cost savings for the**  
11 **project; and**  
12 **(8) consideration of regionally based model school standards**  
13 **under AS 14.11.017(d).**

14 \* Sec. 3. AS 14.11.013(c) is amended to read:

- 15 (c) The department may  
16 (1) modify a project request when necessary to achieve cost-effective  
17 school construction;  
18 (2) require that a school construction project be phased for purposes of  
19 planning, design, and construction; [AND]  
20 (3) reject project requests and omit them from the six-year schedule  
21 due to  
22 (A) incomplete information or documentation provided by the  
23 district;  
24 (B) a determination by the department that existing facilities  
25 can adequately serve the program requirements, or that alternative projects are  
26 in the best interests of the state;  
27 (C) a determination that the project is not in the best interest of  
28 the state; **and**  
29 **(4) require that a school construction project include all or part of**  
30 **the regionally based model school standards developed under AS 14.11.017(d) or**  
31 **use previously approved design plans and building systems that would result in**

**capital or operating cost savings for the project.**

\* **Sec. 4.** AS 14.11.017 is amended by adding a new subsection to read:

(d) The department shall develop and periodically update regionally based model school construction standards that describe acceptable building systems and anticipated costs and establish school design ratios to achieve efficient and cost-effective school construction. In developing the standards, the department shall consider the standards and criteria developed under AS 14.11.014(b).

\* **Sec. 5.** AS 14.11.030(a) is amended to read:

(a) The regional educational attendance area and small municipal school district school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction **and major maintenance** in regional educational attendance areas and small municipal school districts. **The primary function of the fund is to fund school construction projects.**

\* **Sec. 6.** AS 14.11.030(b) is amended to read:

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The **unobligated and unexpended cash** [FUND] balance **of the fund** may not exceed \$70,000,000.

\* **Sec. 7.** AS 14.11.035 is amended to read:

**Sec. 14.11.035. Report on school construction and major maintenance funding.** **Every** [BEGINNING IN] February [2013], the department shall provide to the governor and the legislature an annual report on the effectiveness of the school construction and major maintenance grants, state aid for school construction **and major maintenance** in regional educational attendance areas, and state aid for costs of school construction debt under this chapter. The report must include an analysis of funding sources and the short-term and long-term fiscal effects of the funding on the state. Copies of the report shall be made available to the public and to the legislature.

\* **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).