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CS FOR SENATE BILL NO. 158(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR MYERS

A BILL

FOR AN ACT ENTITLED

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

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

4 *** Section 1.** AS 14.11.011(b) is amended to read:

5 (b) For a municipality that is a school district or a regional educational
6 attendance area to be eligible for a grant under this chapter, the district shall submit

7 (1) a six-year capital improvement plan that includes a description of
8 the district's fixed asset inventory system and preventive maintenance program **not**
9 [NO] later than **July** [SEPTEMBER] 1 of the fiscal year before the fiscal year for
10 which the request is made; the six-year plan must contain for each proposed project a
11 detailed scope of work, a project budget, and documentation of conditions justifying
12 the project;

13 (2) evidence that the district has secured and will maintain adequate
14 property loss insurance for the replacement cost of all facilities for which state funds

1 are available under AS 14.11.005 or 14.11.007 or has a program of insurance
2 acceptable to the department;

3 (3) evidence acceptable to the department that the proposed project
4 should be a capital improvement project and not part of a preventive maintenance
5 program or regular custodial care program; and

6 (4) evidence acceptable to the department that the district

7 (A) has a preventive maintenance plan that

8 (i) includes a computerized maintenance management
9 program, cardex system, or other formal systematic means of tracking
10 the timing and costs associated with planned and completed
11 maintenance activities, including scheduled preventive maintenance;

12 (ii) addresses energy management for buildings owned
13 or operated by the district;

14 (iii) includes a regular custodial care program for
15 buildings owned or operated by the district;

16 (iv) includes preventive maintenance training for
17 facility managers and maintenance employees;

18 (v) includes renewal and replacement schedules for
19 electrical, mechanical, structural, and other components of facilities
20 owned or operated by the district; and

21 (B) is adequately adhering to the preventive maintenance plan.

22 * **Sec. 2.** AS 14.11.014(d) is amended to read:

23 (d) Notwithstanding any other provision of law, the committee may not
24 recommend for approval an application for bond debt reimbursement made by a
25 municipality

26 **(1) for more than one school construction project listed on the**
27 **department's ranking of school construction project priorities under**
28 **AS 14.11.013(b); and**

29 **(2) for more than the top two major maintenance projects for each**
30 **district listed on the department's ranking of major maintenance project**
31 **priorities under AS 14.11.013(b), except that the committee may recommend for**

1 **approval an application for bond debt reimbursement made by a municipality**
2 **for all the major maintenance projects of the municipality that are ranked within**
3 **the top 20 projects, exclusive of projects funded by grants, on the department's**
4 **list of major maintenance project priorities** [OR MAJOR MAINTENANCE FOR
5 INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF THE
6 MUNICIPALITY ON OR AFTER JANUARY 1, 2015, BUT BEFORE JULY 1,
7 2025].

8 * **Sec. 3.** AS 14.11.100(h) is amended to read:

9 (h) An allocation under (a)(4), (5), (6), (7), (8), (9), [OR] (10), **(11), (12), (13),**
10 **(14), (15), (16), (17), or (18)** of this section for school construction begun after July 1,
11 1982, shall be reduced by the amount of money used for the construction of residential
12 space, hockey rinks, planetariums, saunas, and other facilities for single purpose
13 sporting or recreational uses that are not suitable for other activities and by the money
14 used for construction that exceeds the amount needed for construction of a facility of
15 efficient design as determined by the department. An allocation under (a)(4), (5), (6),
16 (7), (8), (9), [OR] (10), **(11), (12), (13), (14), (15), (16), (17), or (18)** of this section
17 may not be reduced by the amount of money used for construction of a small
18 swimming pool, tank, or water storage facility used for water sports. However, an
19 allocation shall be reduced by the difference between the amount of money used to
20 construct a swimming pool that exceeds the standards adopted by the department and
21 the amount of money that would have been used to construct a small swimming pool,
22 tank, or water storage facility, as determined by the commissioner.

23 * **Sec. 4.** AS 14.11.100(i) is amended to read:

24 (i) For the purposes of **(a)(4) - (18)** [(a)(4) - (10)] of this section,
25 (1) an indebtedness for bonds is incurred after the bonds are sold;
26 (2) reimbursement for a cash payment may only be made after the
27 payment is made to a vendor; and
28 (3) payments may not be made for costs that are incurred under a
29 contract after the contract has been released.

30 * **Sec. 5.** AS 14.11.100(s) is amended to read:

31 (s) Notwithstanding any other provision of law, the commissioner may not

1 approve an application for bond debt reimbursement made by a municipality

2 (1) for more than one school construction project listed on the
3 department's ranking of school construction project priorities under
4 AS 14.11.013(b); and

5 (2) for more than the top two major maintenance projects for each
6 district listed on the department's ranking of major maintenance project
7 priorities under AS 14.11.013(b), except that the commissioner may approve an
8 application for bond debt reimbursement made by a municipality for all the
9 major maintenance projects of the municipality that are ranked within the top 20
10 projects, exclusive of projects funded by grants, on the department's list of major
11 maintenance project priorities [OR MAJOR MAINTENANCE FOR
12 INDEBTEDNESS AUTHORIZED BY THE QUALIFIED VOTERS OF THE
13 MUNICIPALITY ON OR AFTER JANUARY 1, 2015, BUT BEFORE JULY 1,
14 2025].

15 * Sec. 6. AS 14.11.102(c) is amended to read:

16 (c) The commissioner may not allocate funds to a municipality under
17 AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-
18 exempt bonds, notes, or other indebtedness

19 (1) for more than one school construction project listed on the
20 department's ranking of school construction project priorities under
21 AS 14.11.013(b); and

22 (2) for more than the top two major maintenance projects for each
23 district listed on the department's ranking of major maintenance project
24 priorities under AS 14.11.013(b), except that the commissioner may allocate
25 funds to a municipality for the retirement of the principal of and interest on
26 outstanding tax-exempt bonds, notes, or other indebtedness for all the major
27 maintenance projects of the municipality that are ranked within the top 20
28 projects, exclusive of projects funded by grants, on the department's list of major
29 maintenance project priorities [AUTHORIZED BY THE QUALIFIED VOTERS
30 OF THE MUNICIPALITY ON OR AFTER JANUARY 1, 2015, BUT BEFORE
31 JULY 1, 2025].

1 * **Sec. 7.** AS 14.11.100(a)(19) is repealed.

2 * **Sec. 8.** Section 6, ch. 3, SLA 2015, as amended by sec. 5, ch. 6, SLA 2020, is repealed.

3 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 APPLICABILITY. AS 14.11.011(b), as amended by sec. 1 of this Act,
6 AS 14.11.014(d), as amended by sec. 2 of this Act, AS 14.11.100(h), as amended by sec. 3 of
7 this Act, AS 14.11.100(i), as amended by sec. 4 of this Act, AS 14.11.100(s), as amended by
8 sec. 5 of this Act, AS 14.11.102(c), as amended by sec. 6 of this Act, and the repeal of
9 AS 14.11.100(a)(19) by sec. 7 of this Act, apply to an application for bond debt
10 reimbursement made by a municipality for school construction or major maintenance for
11 indebtedness authorized by the qualified voters of the municipality on or after July 1, 2025.

12 * **Sec. 10.** This Act takes effect July 1, 2025.