

**SENATE BILL NO. 124**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**Introduced: 3/1/01**

**Referred: Health, Education and Social Services, Judiciary, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the financing of construction and major maintenance of public**  
2 **school facilities; authorizing the commissioner of revenue to sell the right to receive a**  
3 **portion of the anticipated revenue from a certain tobacco litigation settlement to the**  
4 **Northern Tobacco Securitization Corporation; relating to the deposit of certain**  
5 **anticipated revenue from a certain tobacco litigation settlement; authorizing the**  
6 **issuance of bonds by the Northern Tobacco Securitization Corporation with proceeds to**  
7 **finance public school construction and major maintenance; and providing for an**  
8 **effective date."**

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

10 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding new sections  
11 to read:

12 FINDINGS. The legislature finds that

1 (1) adequate public school facilities, providing a safe and effective atmosphere  
2 for learning, are integral to the success of Alaska's initiative for quality schools;

3 (2) every school-age child in Alaska deserves the opportunity to attend an  
4 adequate public school facility;

5 (3) the current value of public school and school-related facilities statewide is  
6 nearly \$4,000,000,000;

7 (4) the state must protect its investment in our public school facilities by  
8 recognizing where new school facilities are needed and repairing and maintaining the school  
9 facilities that are deficient;

10 (5) the Department of Education and Early Development compiles a statewide  
11 list of projects for which grants are requested under AS 14.11.011 and ranks those projects  
12 according to priority needs; for the first time in several years, all school districts with eligible  
13 projects participated in the Department of Education and Early Development priority ranking  
14 process;

15 (6) the current statewide lists of public school construction, repair, and  
16 maintenance needs include over 150 school projects at a total state cost of over \$547,000,000;

17 (7) the state began its first phase of addressing public school facility needs  
18 with ch. 130, SLA 2000;

19 (8) the state must continue its efforts to build, repair, and maintain public  
20 schools with a comprehensive plan covering six years, with the goal of completing all projects  
21 on the major maintenance and construction lists of the Department of Education and Early  
22 Development;

23 (9) the lists of major maintenance and construction needs for public schools in  
24 the state that are in the comprehensive plan will be adjusted by the Department of Education  
25 and Early Development, in accordance with state statutes and regulations, to accommodate  
26 changes in priorities of need;

27 (10) this legislation is phase two of a comprehensive plan, with \$127,270,151  
28 for public school major maintenance and construction in fiscal year 2002; the Department of  
29 Education and Early Development has the following projects on its lists:

DISTRICT	PROJECT	AMOUNT
CONSTRUCTION		

1	Southwest Region	Togiak School Replacement	\$29,182,163
2	Bering Strait	Golovin School Phase III	9,888,192
3	Bering Strait	Koyuk School K-12 Replacement	11,660,343
4	Yupiit	Tuluksak School Improvement	18,393,931
5	Lower Yukon	Hooper Bay Renovation/Addition	16,436,021
6	Yupiit	Akiachak School Improvement	15,824,493
7	Lower Yukon	Scammon Bay Renovation/Addition	14,771,322
8	Bering Strait	Teller K-12 School Remodel/Addition	9,437,442
9	Yupiit	Akiak School Improvement	13,805,216
10	Bering Strait	White Mountain School Remodel/	
11		Addition	11,123,659
12	Southeast Island	Naukati School Replacement	3,680,945
13	Yukon Flats	Circle School Replacement	3,700,454
14	Lower Kuskokwim	Chief Paul Memorial School	
15		Addition	10,247,167
16	Southeast Island	Howard Valentine School	
17		Improvement	3,012,483
18	Copper River	Glennallen Elementary School	
19		Replacement	7,006,670
20	Lower Kuskokwim	Dick R. Kiunya Memorial School	
21		Addition	4,302,373
22	Northwest Arctic	Kiana K-12 Improvement Project	13,348,757
23	Southwest Region	New Stuyahok School Improvement	12,919,836
24	Yukon Flats	Arctic Village School Addition/	
25		Renovation	4,265,386
26	Northwest Arctic	Ambler K-12 Improvement Project	8,649,895
27	Lower Kuskokwim	Chaptnguak School Addition	6,068,992
28	Lower Yukon	Sheldon Point Renovation/Addition	6,907,483
29	Lower Kuskokwim	Joann Alexie Memorial School Addition	2,972,513
30	Cordova	Mount Eccles Elementary School	
31		Renovation/Addition	3,404,309

1	Southeast Island	Hollis School Improvement	2,220,918
2	Craig City	Elementary School Addition/	
3		Renovation	5,147,025
4	Lower Kuskokwim	Kwethluk School Addition	5,881,586
5	Southeast Island	Covered Physical Education Areas	280,519
6	Bering Strait	Savoonga K-12 Remodel/Addition	16,401,453
7	Lower Kuskokwim	Kwigillingok School Addition	5,639,607
8	Bering Strait	St. Michael K-12 Remodel/Addition	12,573,806
9	Iditarod Area	Lime Village School Addition & New Well	564,725
10	Yukon-Koyukuk	Minto Addition/Renovation	4,168,267
11	Kuspuk	Upper Kalskag Joseph & Olinga	
12		Gregory Elementary School	
13		Replacement	4,392,418
14	Lower Kuskokwim	Kuinerrarmuit Elitnautvait School	
15		Addition	2,126,656
16	Lower Kuskokwim	Nightmute School Addition	1,107,148
17	Haines	Haines Kitchen Remodel &	
18		Cafeteria Addition	439,049
19	Kuspuk	Crooked Creek Johnnie John Sr.	
20		School Addition	2,094,501
21	Aleutian Region	Nikolski Multipurpose Room Addition	685,324
22	Lower Yukon	Emmonak Renovation/Addition	10,911,395
23	Northwest Arctic	Noatak K-12 Improvement Project	13,790,424
24	Juneau City Borough	New Juneau Douglas High School	
25		Design & Construction	30,569,671
26	Yukon-Koyukuk	Nulato School Improvement	10,120,990
27	Alaska Gateway	Northway School Kitchen Remodel	57,889
28	Yukon-Koyukuk	Allakaket Renovation/Addition	3,497,141
29	Lower Kuskokwim	Toksook Bay School Addition	5,350,536
30	Northwest Arctic	Kobuk K-12 Improvement Project	2,951,371
31	Klawock City	Klawock School Addition/Renovation	2,102,778

1	Northwest Arctic	Kotzebue K-12 Improvement Project	17,676,002
2	Petersburg City	Petersburg Kitchen/Cafeteria Renovation	470,021
3	Anchorage	East High School Phase I Renovation	6,071,710
4	Anchorage	Chugiak High School Phase II & III	12,098,123
5	Lower Kuskokwim	Bethel Elementary School	10,757,706
6	Iditarod Area	Takotna School Bathroom Installation	37,768
7	Anchorage	Bartlett High School Phase I Renovation	3,500,000
8	Sitka City Borough	Baranof Outdoor Covered Physical	
9		Education Area	250,476
10	Galena	Outdoor Multipurpose Area	1,736,987
11	Juneau City Borough	Dzantik'i Heeni Site Development Project	1,301,017
12	Iditarod Area	McGrath School Bus Storage Building	277,651
13	MAJOR MAINTENANCE		
14	Petersburg City	Facia/Soffit Repair/Replacement	
15		Recovery of Funds	116,236
16	Yukon-Koyukuk	Nulato Structural Repairs	314,387
17	Bering Strait	Shishmaref School Roof Replacement	
18		& Renovation Phase III	8,342,525
19	Iditarod Area	Blackwell School Heating Renovation/Site	
20		Repair	173,754
21	Sitka City Borough	Blatchley Exterior Renovation/Repair	346,500
22	Chatham	Angoon Elementary School Major	
23		Maintenance	2,066,257
24	Skagway City	Skagway Major Maintenance	35,598
25	Pribilof Island	St. George School Remodel	4,513,164
26	Southwest Region	Clark's Point School Generator Building	35,989
27	Ketchikan	Schoenbar Renovation	4,891,992
28	Yupiiit	Akiak School Repairs	177,571
29	Galena	Project Education Food Service Renovation	261,806
30	Southwest Region	Koliganek School Improvement	451,993
31	Juneau City Borough	Juneau Douglas High School	

1		Renovation/ADA Upgrade	9,097,138
2	Southwest Region	Ekwok, Koliganek, Togiak Schools	
3		Heating System Upgrade	122,256
4	Hoonah City	Hoonah Swimming Pool Sprinkler System	220,476
5	Galena	High School Remodel	167,846
6	Kenai Peninsula	McNeil Canyon Replace Septic System	171,500
7	Kake City	Kake High School Renovation Phase II	175,065
8	Chatham	Angoon High School Major Maintenance	1,730,507
9	North Slope Borough	Tikigaq School Renovation	3,675,502
10	Tanana City	Tanana Kitchen Renovation	438,539
11	Wrangell City	Wrangell Elementary Schools Renovation	1,129,238
12	Lower Yukon	Emmonak Mechanical System Upgrade	574,885
13	Lower Yukon	Alakanuk Mechanical System Upgrade	899,740
14	Iditarod Area	Takotna Community School Water Project	192,374
15	Anchorage	Service High School Phase I Renovation	4,998,000
16	Kenai Peninsula	Seward Middle School Gym Re-roof	278,275
17	Iditarod Area	Innoko River School Bathroom, Shower	
18		and Underfloor Damage Repair	46,746
19	Iditarod Area	McGrath School Heating Design, Boiler	
20		Replacement and Repairs	235,200
21	Kenai Peninsula	Kenai Central High School Reinsulate	
22		Exterior Walls	385,610
23	Alaska Gateway	Tok Multipurpose Recreational Complex	
24		Renovation Project	961,612
25	Delta/Greely	Fort Greely Utility Conversion	2,054,852
26	Iditarod Area	Holy Cross School Bathroom and Shower	
27		Deterioration	47,530
28	Wrangell City	Wrangell Middle School Renovation	164,522
29	Sitka City Borough	Blatchley Domestic Water System Upgrade	667,356
30	Skagway City	Skagway Roof Replacement	174,613
31	Mat-Su Borough	Fire Alarm Systems, 5 Schools	638,647

1	Fairbanks	District-wide Fire Protection System	
2		Upgrades	1,193,832
3	Yakutat City	Yakutat High School Gymnasium Structural	
4		Repair	70,981
5	Yukon-Koyukuk	Kaltag School Renovation	2,418,052
6	Mat-Su Borough	Septic System Upgrade, Colony	
7		High School	164,039
8	Wrangell City	Wrangell Elementary School &	
9		High School Roof & Exterior Repairs	101,216
10	Northwest Arctic	Shungnak Improvements Phase II	2,740,522
11	Dillingham City	Elementary School Weatherization	105,418
12	Kuspuk	Chuathbaluk Crow Village Sam	
13		School Sewage System Replacement	375,661
14	Delta/Greely	Delta Junction School Renovation	7,373,372
15	Hoonah City	Hoonah Schools Renovation	1,291,912
16	Kake City	Kake Middle School Renovation	470,415
17	Denali Borough	Cantwell School Sprinkler Installation	
18		& Heating System Upgrade	683,663
19	Anchorage	Districtwide Renewal & Replacement/	
20		ADA Code Requirements	3,748,500
21	Chugach	Districtwide Fire Alarm Upgrade	68,485
22	Denali Borough	Cantwell School Roof Replacement and	
23		Code Upgrade	358,044
24	Kuspuk	Kalskag George Morgan Sr. High School	
25		Sewage System Replacement	445,788
26	Mat-Su Borough	Fuel Tank Replacement Districtwide	129,923
27	Tanana City	Tanana School Major Maintenance	3,062,689
28	Anchorage	Districtwide Roof Replacement & Repairs	2,405,900
29	Haines	High School Exterior Major Maintenance	128,569
30	Dillingham City	Central Administration Roof	50,250
31	Southeast Island	Hyder Sprinkler System	88,307

1	Mat-Su Borough	Boiler & Water Heater Replacement,	
2		4 Schools	227,462
3	Anchorage	Electrical Upgrades in Support of	
4		Technology	4,106,200
5	Northwest Arctic	Deering Improvements Phase I	1,769,698
6	Alaska Gateway	Northway School Structural Upgrade	939,721
7	Alaska Gateway	Tetlin Sewer Line Project	81,396
8	Aleutians East	False Pass School Upgrade Heating	
9		System & Replace Rear Wall	
10		& Windows	140,000
11	Iditarod Area	Innoko River School Welding Shop/	
12		Structural Emergency	31,850
13	Chugach	Chenega Bay Major Maintenance	85,480
14	Fairbanks	Districtwide Traffic Safety Upgrades	1,084,112
15	Denali Borough	Anderson School Heating &	
16		Ventilation Upgrade	1,272,543
17	Galena	High School Floor Renovation	154,841
18	Yukon-Koyukuk	Districtwide Structural Repairs	465,778
19	Yakutat City	Yakutat High School Interior Renovation	123,576
20	Yukon-Koyukuk	Districtwide Fuel Tank Upgrades	4,977,340
21	Dillingham City	High School Gym Roof	241,536
22	Copper River	Glennallen High School Gym Floor	
23		Renovation	188,199
24	Dillingham City	High School Fire Panel Replacement	64,623
25	Lower Kuskokwim	Districtwide Asbestos Abatement	5,186,625
26	Denali Borough	Anderson School Septic Leach	
27		Field Replacement	130,818
28	Iditarod Area	David Louis Memorial School	
29		Asbestos Abatement & Demolition	299,653
30	Lower Kuskokwim	Kilbuck School Boiler Replacement	231,611
31	Yukon-Koyukuk	Districtwide ADA Code Upgrades	963,690

1	Sitka City Borough	Districtwide Major Maintenance	771,837
2	Kuspuk	Crooked Creek Johnnie John Sr.	
3		School Sewage System	
4		Replacement	383,172
5	Yukon Flats	Chalkyitsik Sewage Lagoon & Water	
6		Tank Project	934,740
7	Lower Kuskokwim	Districtwide ADA Upgrade	2,222,030
8	Dillingham City	Elementary Gym Floor	51,562
9	Hoonah City	Hoonah Pool Upgrades	166,474
10	Northwest Arctic	Kivalina K-12 Improvement Project	759,150
11	Anchorage	Girdwood K-8 Roof Replacement &	
12		Miscellaneous Upgrades	1,050,000
13	Chugach	Districtwide Fuel Upgrade	157,677
14	Chugach	Tatitlek Generator Replacement	155,466
15	Iditarod Area	Innoko River School Vocational	
16		Education Code Upgrade	71,050
17	Yukon Flats	Fort Yukon High School Gym Sprinklers	116,147
18	Anchorage	Traffic Safety Upgrades	420,000
19	Southeast Island	Thorne Bay House Access Ramp	113,171
20	Iditarod Area	David Louis Memorial School Boiler	
21		Replacement & Relocation	171,500
22	Dillingham City	Oil Tank Removal/Replacement	121,214

23 INTENT. It is the intent of the legislature that the part of the revenue described in  
24 sec. 2(a) of this Act that is not sold to the Northern Tobacco Securitization Corporation under  
25 sec. 2 of this Act and that was not previously sold to the Alaska Housing Finance Corporation  
26 under sec. 9(a), ch. 130, SLA 2000, be deposited into the general fund, and that at least  
27 \$3,000,000 of the amount deposited in the general fund, which includes the \$1,400,000  
28 referred to in sec. 1(b), ch. 130, SLA 2000, be used for smoking education and cessation  
29 programs administered by the state.

30 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
31 read:

1 SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE. (a) The  
 2 commissioner of revenue is authorized to sell to the Northern Tobacco Securitization  
 3 Corporation, a subsidiary corporation of the Alaska Housing Finance Corporation created  
 4 under AS 18.56.086, the right to receive 40 percent annually of the revenue derived from the  
 5 settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska  
 6 Super. 1997). The sale of the right to receive revenue under this subsection is in addition to  
 7 the sale of the right to receive revenue under sec. 9, ch. 130, SLA 2000.

8 (b) The proceeds to the state of the sale of the right to receive revenue under (a) of  
 9 this section are anticipated to be at least \$127,270,151.

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

12 BOND AUTHORIZATION AND PROVISIONS. (a) The Northern Tobacco  
 13 Securitization Corporation is authorized to issue revenue bonds in principal amounts  
 14 sufficient to acquire the right to receive revenue described in sec. 2 of this Act from the  
 15 commissioner of revenue at a price agreed upon by the Northern Tobacco Securitization  
 16 Corporation and the commissioner of revenue. The bonds may be special, limited obligations  
 17 of the Northern Tobacco Securitization Corporation secured solely by the right to receive  
 18 revenue sold to the Northern Tobacco Securitization Corporation under sec. 2 of this Act, and  
 19 the Northern Tobacco Securitization Corporation may include in agreements with the  
 20 bondholders a pledge of the right to receive that revenue and the promise of the state to honor  
 21 that pledge. A pledge made under this section is subject to the provisions of AS 18.56.120,  
 22 and bonds issued under this section are subject to the provisions of AS 18.56.170, in each case  
 23 as though "corporation" in those statutes meant the Northern Tobacco Securitization  
 24 Corporation.

25 (b) Subject to agreements with bondholders and appropriation as described in (c) of  
 26 this section, the Northern Tobacco Securitization Corporation shall make the proceeds of the  
 27 bonds issued under (a) of this section available to the Department of Education and Early  
 28 Development to pay or reimburse itself for expenditures described in (c) of this section.

29 (c) Subject to appropriation, the proceeds of bonds issued under (a) of this section  
 30 shall be used by the Department of Education and Early Development to finance state grants  
 31 under AS 14.11.005 - 14.11.020 in the total amount of \$127,270,151 for the construction,

1 renovation, and improvement of public schools for the following projects, in the following  
2 amounts:

3	DISTRICT	PROJECT	AMOUNT
4	CONSTRUCTION		
5	(1) Southwest Region	Togiak School Replacement	\$29,182,163
6	(2) Bering Strait	Golovin School Phase III	9,888,192
7	(3) Bering Strait	Koyuk School K-12 Replacement	11,660,343
8	(4) Yupiit	Tuluksak School Improvement	18,393,931
9	MAJOR MAINTENANCE		
10	(1) Petersburg City	Facia/Soffit Repair/Replacement	
11		Recovery of Funds	116,236
12	(2) Yukon-Koyukuk	Nulato Structural Repairs	314,387
13	(3) Bering Strait	Shishmaref School Roof Replacement	
14		& Renovation Phase III	8,342,525
15	(4) Iditarod Area	Blackwell School Heating Renovation/Site	
16		Repair	173,754
17	(5) Sitka City Borough	Blatchley Exterior Renovation/Repair	346,500
18	(6) Chatham	Angoon Elementary School Major	
19		Maintenance	2,066,257
20	(7) Skagway City	Skagway Major Maintenance	35,598
21	(8) Pribilof Island	St. George School Remodel	4,513,164
22	(9) Southwest Region	Clark's Point School Generator Building	35,989
23	(10) Ketchikan	Schoenbar Renovation	4,891,992
24	(11) Yupiit	Akiak School Repairs	177,571
25	(12) Galena	Project Education Food Service Renovation	261,806
26	(13) Southwest Region	Koliganek School Improvement	451,993
27	(14) Juneau City Borough	Juneau Douglas High School	
28		Renovation/ADA Upgrade	9,097,138
29	(15) Southwest Region	Ekwok, Koliganek, Togiak Schools	
30		Heating System Upgrade	122,256
31	(16) Hoonah City	Hoonah Swimming Pool Sprinkler System	220,476

1	(17) Galena	High School Remodel	167,846
2	(18) Kenai Peninsula	McNeil Canyon Replace Septic System	171,500
3	(19) Kake City	Kake High School Renovation Phase II	175,065
4	(20) Chatham	Angoon High School Major Maintenance	1,730,507
5	(21) North Slope Borough	Tikigaq School Renovation	3,675,502
6	(22) Tanana City	Tanana Kitchen Renovation	438,539
7	(23) Wrangell City	Wrangell Elementary Schools Renovation	1,129,238
8	(24) Lower Yukon	Emmonak Mechanical System Upgrade	574,885
9	(25) Lower Yukon	Alakanuk Mechanical System Upgrade	899,740
10	(26) Iditarod Area	Takotna Community School Water Project	192,374
11	(27) Anchorage	Service High School Phase I Renovation	4,998,000
12	(28) Kenai Peninsula	Seward Middle School Gym Re-roof	278,275
13	(29) Iditarod Area	Innoko River School Bathroom, Shower and Underfloor Damage Repair	46,746
14			
15	(30) Iditarod Area	McGrath School Heating Design, Boiler Replacement and Repairs	235,200
16			
17	(31) Kenai Peninsula	Kenai Central High School Reinsulate Exterior Walls	385,610
18			
19	(32) Alaska Gateway	Tok Multipurpose Recreational Complex Renovation Project	961,612
20			
21	(33) Delta/Greely	Fort Greely Utility Conversion	2,054,852
22	(34) Iditarod Area	Holy Cross School Bathroom and Shower Deterioration	47,530
23			
24	(35) Wrangell City	Wrangell Middle School Renovation	164,522
25	(36) Sitka City Borough	Blatchley Domestic Water System Upgrade	667,356
26	(37) Skagway City	Skagway Roof Replacement	174,613
27	(38) Mat-Su Borough	Fire Alarm Systems, 5 Schools	638,647
28	(39) Fairbanks	District-wide Fire Protection System Upgrades	1,193,832
29			
30	(40) Yakutat City	Yakutat High School Gymnasium Structural Repair	70,981
31			

1	(41) Yukon-Koyukuk	Kaltag School Renovation	2,418,052
2	(42) Mat-Su Borough	Septic System Upgrade, Colony	
3		High School	164,039
4	(43) Wrangell City	Wrangell Elementary School &	
5		High School Roof & Exterior Repairs	101,216
6	(44) Northwest Arctic	Shungnak Improvements Phase II	2,740,522
7	(45) Dillingham City	Elementary School Weatherization	105,418
8	(46) Kuspuk	Chuathbaluk Crow Village Sam	
9		School Sewage System Replacement	375,661
10		Total	\$127,270,151

11 (d) In this section, "Northern Tobacco Securitization Corporation" means the  
 12 subsidiary corporation of the Alaska Housing Finance Corporation created under  
 13 AS 18.56.086.

14 \* **Sec. 4.** This Act takes effect July 1, 2001.