

SENATE BILL NO. 259

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/28/02

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing for and relating to the issuance of general obligation bonds for the**
2 **purpose of paying the cost of construction and major maintenance for certain public**
3 **school facilities; and providing for an effective date."**

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 FINDINGS; INTENT. (a) The legislature finds that

8 (1) art. VII, sec. 1, Constitution of the State of Alaska, provides that the
9 legislature shall establish and maintain a system of public schools open to all children of the
10 state;

11 (2) adequate public school facilities that provide a safe and effective
12 atmosphere for learning are integral to the success of the initiative for quality schools in this
13 state;

14 (3) every single school-age child in this state deserves the opportunity to

1 attend an adequate public school facility;

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

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

7 (6) the Department of Education and Early Development compiles a statewide
8 list of projects for which grant applications are submitted under AS 14.11.011 and ranks those
9 projects according to priority needs;

10 (7) the current statewide lists of public school construction, repair, and
11 maintenance needs include over 150 school projects at a total cost to the state of over
12 \$640,000,000;

13 (8) the state must continue its efforts to build, repair, and maintain public
14 schools with a comprehensive plan, including three phases covering six years, with the goal of
15 completing all projects on the major maintenance and construction lists of the Department of
16 Education and Early Development;

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

21 (10) bondholders must be assured that the school construction and major
22 maintenance project lists described in sec. 4 of this Act will remain unchanged until project
23 grants have been awarded in fiscal years 2003 and 2004 under sec. 4 of this Act; to provide
24 this assurance, sec. 5 of this Act provides that no new grant applications for school
25 construction or major maintenance projects may be submitted under AS 14.11.011 until
26 July 1, 2003.

27 (b) It is the intent of the legislature that, of the \$210,000,000 appropriated in sec. 4 of
28 this Act, approximately \$101,000,000 be used for grants under sec. 4 of this Act in fiscal year
29 2003 and approximately \$109,000,000 be used for grants under sec. 4 of this Act in fiscal year
30 2004.

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

1 read:

2 GENERAL OBLIGATION BONDS. For the purpose of paying the cost of school
3 construction and major maintenance grants under AS 14.11, general obligation bonds of the
4 state in the principal amount of not more than \$212,000,000, if ratified by a majority of the
5 qualified voters of the state who vote on the question, shall be issued and sold. The full faith,
6 credit, and resources of the state are pledged to the payment of the principal of and interest
7 and redemption premium, if any, on the bonds. The bonds shall be issued under the
8 provisions of AS 37.15 as those provisions read at the time of issuance.

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

11 ALASKA SCHOOL CONSTRUCTION AND MAINTENANCE FUND. If the
12 issuance of the bonds is ratified by a majority of the qualified voters of the state who vote on
13 the question, a special fund of the state to be known as the "Alaska School Construction and
14 Maintenance Fund" shall be established, to which shall be credited the proceeds of the sale of
15 the bonds described in sec. 2 of this Act except for the accrued interest and premiums.

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

18 DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The amount of
19 \$210,000,000 is appropriated from the Alaska School Construction and Maintenance Fund to
20 the Department of Education and Early Development to be awarded in fiscal years 2003 and
21 2004 as grants for construction and major maintenance for public schools of this state and,
22 subject to reallocation between projects in accordance with AS 37.07.080(e), used by the
23 listed municipality that is a school district, or the listed regional educational attendance area,
24 in the amount listed and in the order of priority set by the Department of Education and Early
25 Development in

26 (1) the list of school construction projects ranked for fiscal year 2003 in
27 accordance with AS 14.11; and

28 (2) the list of school major maintenance projects for fiscal year 2003 ranked in
29 accordance with AS 14.11.

30 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 DEFERRAL OF NEW SCHOOL CONSTRUCTION AND MAJOR
2 MAINTENANCE GRANT APPLICATIONS. Beginning on the effective date of this Act,
3 and continuing through June 30, 2003, the provisions of AS 14.11.011, 14.11.013, 14.11.015,
4 and 14.11.016 do not apply, and no new grant applications may be submitted or accepted
5 under AS 14.11.011.

6 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority
9 of the qualified voters of the state who vote on the question, the amount of \$2,000,000 or as
10 much of that amount as is found necessary is appropriated from the proceeds of the sale of the
11 bonds authorized by this Act to the state bond committee to carry out the provisions of this
12 Act and to pay expenses incident to the sale and issuance of the bonds authorized by this Act.

13 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 ADVANCE PLANNING. Any amount withdrawn from the public facility planning
16 fund (AS 35.10.135) for the purpose of advance planning for the capital improvements
17 financed under this Act shall be reimbursed to the fund from the proceeds of the sale of bonds
18 authorized by this Act.

19 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated
22 balance of the appropriation made in sec. 4 of this Act lapses under AS 37.25.020 and is
23 appropriated to the state bond committee to redeem bonds sold under this Act. The amounts
24 expended from the general fund to pay the principal, interest, and redemption premium on
25 bonds issued under this Act shall be reimbursed to the general fund from the appropriation
26 made under this section to the extent that the money is not needed to redeem the bonds.

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

29 BALLOT QUESTION. The question whether the bonds authorized by this Act are to
30 be issued shall be submitted to the qualified voters of the state at the next general election and
31 shall read substantially as follows:

PROPOSITION

State General Obligation Alaska School Construction and Major
Maintenance Bonds \$212,000,000

Shall the State of Alaska issue its general obligation bonds in the
principal amount of not more than \$212,000,000 for the purpose of
paying for the cost of construction and major maintenance of public
schools of this state as ranked by priority by the Department of
Education and Early Development in accordance with AS 14.11?

Bonds Yes []

Bonds No []

* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).