

Original sponsor: Kerttula

Offered: 4/7/71
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

2

CS FOR HOUSE BILL NO. 35

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act authorizing state grants for school construc-

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tion within borough and city school districts; and

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providing for an effective date."

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

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* Section 1. AS 14 is amended by adding a new chapter to read:

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CHAPTER 18. SCHOOL CONSTRUCTION.

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Sec. 14.18.010. STATE AID FOR SCHOOL CONSTRUCTION. (a) There

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is in the Department of Education a school construction grant fund.

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Funds appropriated by the legislature for school construction grants

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under this section shall be deposited in the fund.

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(b) Within the limits of state appropriations available for the

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purpose, an organized borough or a city which is a school district is

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entitled to state grants to supplement local funds which are expended

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after July 1, 1971 for costs of new school construction, in the ratio

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of no less than 75 per cent state funds to no more than 25 per cent

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local matching funds, as provided in this chapter.

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Sec. 14.18.020. LOCAL SHARE. (a) To qualify for a school con-

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struction grant, the governing body shall make application and furnish

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to the commissioner proof in the form required by him that it has

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deposited in a local municipal capital project fund separate from other

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municipal funds and accounts an amount to be utilized solely for costs

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of a new school construction project within the district. The appli-

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cation shall set out project specifications and cost estimates in

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such detail as required by the commissioner and an order of priority

1 for completion of projects which shall not be subsequently varied by
2 the governing body of the organized borough or city receiving aid
3 under this chapter without the approval of the commissioner.

4 (b) The amount deposited as local share in the municipal capital
5 project fund may be derived from any source other than funds allocated
6 for school district operating purposes under the Public School Founda-
7 tion Program or other state or federal law providing aid for school
8 operating purposes. In accepting proof of deposit of the local share,
9 the commissioner shall allow as part of the share the reasonable value
10 of in-kind contributions pledged and directly related to payment of
11 costs of construction. Determination of value by the commissioner
12 shall be final. If bonded or other indebtedness has been legally
13 authorized as required by law and the proceeds of the indebtedness
14 pledged by the governing body for use as the local share, the commis-
15 sioner shall credit the amount of the authorized indebtedness toward
16 the local share.

17 (c) Upon receipt of satisfactory proof of deposit of the local
18 share in the municipal capital project fund, the commissioner shall
19 authorize transfer from the school construction grant fund and deposit
20 in the local fund an amount equal to three times the local share
21 except that an amount of aid based on proceeds of authorized indebted-
22 ness shall not be paid over until the proceeds have been deposited in
23 the local fund. The authorized aid shall be transferred and deposited
24 according to the following schedule, unless the commissioner determines
25 otherwise in a particular case:

26 (1) 50 per cent upon award of a contract for construction
27 of the school project for which the aid is authorized;

28 (2) 40 per cent upon acceptance by the organized borough or
29 city of the completed project;

1 (3) 10 per cent upon final audit and report of costs of the
2 project.

3 Sec. 14.18.030. USE OF FUNDS. (a) State and local money
4 deposited in a municipal capital project fund under this chapter shall
5 be utilized solely to pay costs of a new school construction project
6 within the borough or city maintaining the fund in accordance with
7 the order of priority established in its application for aid or subse-
8 quently approved by the commissioner. The commissioner shall require
9 accounting of money in the fund in the uniform manner set out in the
10 Manual of Governmental Accounting, Auditing and Financial Reporting,
11 1968, as supplemented, issued by the National Committee on Governmental
12 Accounting.

13 (b) In the manner of other municipal investments the governing
14 body shall provide for investment of fund money above an amount suffi-
15 cient to meet current project demands. Earnings on investments shall
16 be credited to the fund and applied solely to project costs. The
17 amount of earnings shall be reported to the commissioner at a time
18 and in a form prescribed by him. The amount shall be credited towards
19 the amount of state aid approved by the commissioner for transfer and
20 deposit to the fund.

21 Sec. 14.18.035. INTENT. Projects for which aid is authorized
22 under this chapter are subject to the provisions of AS 07.15.330(e) -
23 (g) and are not public works or buildings the planning or construction
24 of which is under the control or supervision of the Department of
25 Public Works under AS 35.

26 Sec. 14.18.040. REPORTS. The department shall provide an annual
27 report to the legislature respecting grants made under this chapter.

28 Sec. 14.18.050. REGULATIONS. The department may promulgate
29 regulations to implement this chapter.

1 Sec. 14.18.060. DEFINITIONS. In this chapter

2 (1) "commissioner" means the commissioner of education;

3 (2) "costs of new school construction" or "costs of a new
4 school construction project" means the cost of acquiring, constructing,
5 equipping or furnishing newly erected public elementary and secondary
6 school facilities for classroom and related purposes other than
7 athletic stadiums, spectator space and structures or other facilities
8 intended primarily for athletic exhibitions or for games or other
9 events for which admission is to be charged the public; the term
10 includes but is not limited to the cost of acquisition of sites, legal,
11 engineering, fiscal, architectural and other fees of specialists or
12 consultants, costs of labor, materials, equipment and supplies, and
13 costs of authorization, issuance and sale of bonds, notes or other
14 evidences of debt, exclusive of costs of debt amortization;

15 (3) "department" means the Department of Education;

16 (4) "governing body" means the governing body of an organized
17 borough or a city which is a school district.

18 * Sec. 2. This Act takes effect July 1, 1971.
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