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Referred: Local Government
& Health, Welfare and
Education

1 IN THE SENATE

BY THOMAS

2 SENATE BILL NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a program of state aid for school
7 construction within borough and city school districts."

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

9 * Section 1. PURPOSE. The legislature intends by this Act to insure
10 that every local school district can provide for at least minimum school
11 construction needs so as to insure adequate educational facilities for
12 public elementary and secondary students of the district. The legislature
13 contemplates that districts, consistently with their resources, will expend
14 funds to augment the basic program of school construction aid authorized
15 under this Act.

16 * Sec. 2. AS 14 is amended by adding a new chapter to read:

17 CHAPTER 18. SCHOOL CONSTRUCTION.

18 Sec. 14.18.010. STATE AID FOR SCHOOL CONSTRUCTION. (a) There
19 is in the department a school construction grant fund. Funds appropri-
20 ated by the legislature for school construction aid under this chapter
21 shall be deposited in the fund.

22 (b) Within the limits of available appropriations, an organized
23 borough or a city which is a school district is entitled to state aid
24 to be used solely for costs of school construction in accordance with
25 the provisions of this chapter.

26 Sec. 14.18.020. APPLICATION. (a) The governing body of an
27 organized borough or a city which is a school district may submit an
28 application to the department for a school construction project for
29 which aid is authorized under this chapter. The application shall be

1 submitted at a time and shall include supporting information prescribed
2 by the department. Data submitted shall be subject to review and
3 revision by the department to insure the validity of the data.

4 (b) An application for aid under this chapter shall propose
5 school construction which will accommodate all unhoused pupils of the
6 district.

7 Sec. 14.18.030. AID FORMULA. (a) The maximum entitlement of a
8 district eligible for aid under this chapter shall be determined by
9 multiplying the following allowable number of square feet by costs of
10 school construction per square foot

11 (1) for each unhoused pupil at the elementary level, 100
12 square feet;

13 (2) for each unhoused pupil at the secondary level, 150
14 square feet.

15 (b) Costs of school construction per square foot shall be com-
16 puted by the department on the basis of cost estimates furnished to it
17 by the Department of Public Works.

18 (c) An eligible district shall qualify for 100 per cent of the
19 maximum entitlement for a school construction project if the outstand-
20 ing indebtedness for costs of school construction within the borough or
21 city making application equals at least 50 per cent of the applicant's
22 borrowing capacity. Otherwise, the district shall qualify for that
23 percentage of the maximum entitlement reflected by the proportion which
24 outstanding indebtedness for costs of school construction bears to
25 50 per cent of borrowing capacity, except that

26 (1) the percentage of maximum entitlement shall be at least
27 50 per cent of the entitlement;

28 (2) the percentage of maximum entitlement shall be increased
29 by the department if it determines that the applicant's outstanding

1 indebtedness for costs of school construction, in proportion to
2 borrowing capacity, has been reduced by that district's election before
3 its application to pay certain school construction costs from local
4 revenue sources without incurring bonded indebtedness;

5 (3) the percentage of maximum entitlement may be increased
6 by the department if it determines that the borough or city making
7 application has little or no borrowing capacity.

8 Sec. 14.18.040. APPROPRIATIONS FOR PROJECTS. (a) The department
9 shall annually compile approved applications and establish an order of
10 priority of applications based on the largest relative percentages of
11 unhooded pupils to average daily membership provided for in respective
12 approved applications.

13 (b) The department shall annually, through the Office of the
14 Governor, submit the approved applications and related information to
15 the legislature for its approval and appropriation of funds for the
16 approved school construction projects. Appropriations shall be made
17 only in the order of priority required under this section.

18 (c) Unless the department determines otherwise in a particular
19 case, appropriations made under this chapter shall be disbursed accord-
20 ing to the following schedule:

21 (1) 10 per cent upon the effective date of the appropriation;

22 (2) 40 per cent upon award of a contract for construction
23 of the approved school project;

24 (3) 40 per cent upon acceptance by the organized borough or
25 city of the completed project;

26 (4) 10 per cent upon final audit and report of costs of the
27 project.

28 Sec. 14.18.050. LIMITATIONS. (a) State aid authorized under
29 this chapter shall not be allocated for replacement of an existing

1 school building unless

2 (1) the building is condemned for reasons of health or
3 safety by the state, or

4 (2) the department by regulation establishes other criteria
5 justifying the replacement of an existing school building.

6 (b) Costs of school construction which are funded by the state
7 under other provisions of law are not eligible for aid under this
8 chapter.

9 Sec. 14.18.060. CONSTRUCTION OF CHAPTER. (a) Nothing in this
10 chapter may be construed to create a debt of the state.

11 (b) Nothing in this chapter prevents a borough or city which is
12 a school district from providing for school construction in excess of
13 the standards for aid provided under this chapter.

14 Sec. 14.18.070. REGULATIONS. The department may promulgate
15 regulations to carry out the purpose of this chapter.

16 Sec. 14.18.080. DEFINITIONS. In this chapter unless the context
17 requires otherwise

18 (1) "borrowing capacity" means the capacity to incur debt
19 measured as 10 per cent of the total assessed valuation of taxable
20 property;

21 (2) "costs of school construction" means the cost of acquir-
22 ing, constructing, enlarging, remodeling, and equipping public elemen-
23 tary and secondary school facilities for classroom and related purposes
24 other than athletic stadiums, spectator space and structures or other
25 facilities intended primarily for athletic exhibitions or contests or
26 for games or other events for which admission is to be charged the
27 public; the term includes, but is not limited to, the costs of acquisi-
28 tion of sites and legal, engineering, and architectural services but
29 does not include costs of amortizing principal and interest of

1 indebtedness incurred for school construction;

2 (3) "existing school facilities" means publicly owned
3 facilities in use as school buildings and having continuous use for
4 classroom purposes; the term excludes basement rooms, hallways, or
5 other space the use of which for school purposes, in view of their
6 character, inaccessibility or other equally cogent reason, seriously
7 prejudices the educational objective or impairs or will impair the
8 health or safety of pupils;

9 (4) "outstanding indebtedness" means the amount of general
10 obligation bonds or other indebtedness outstanding as of June 30 pre-
11 ceding the date an application for state aid is made under this
12 chapter;

13 (5) "unhoused pupils" means the number of pupils estimated
14 to be in average daily membership in excess of the total capacities
15 of all existing school facilities, including but not limited to facili-
16 ties held under a lease-purchase agreement and schools in design or
17 construction which have been funded, as of January 1 two years following
18 the close of the fiscal year in which application for state aid is
19 made under this chapter.
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