

Introduced: 4/12/71
Referred: Health, Welfare,
and Education; Finance

1 IN THE SENATE

BY YOUNG

2 SENATE BILL NO. 221

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state grants for school construc-
7 tion within borough and city school districts; and
8 providing for an effective date."

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

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

11 CHAPTER 18. SCHOOL CONSTRUCTION.

12 Sec. 14.18.010. PURPOSE. The legislature recognizes by this
13 chapter that funding of public education is primarily a state responsi-
14 bility and that it must provide school construction financing to insure
15 adequate educational facilities for equal educational opportunity for
16 public elementary and secondary students throughout the state whether
17 attending schools operated by an organized borough, by a city or by
18 the state. The legislature expects that districts will make a minimum
19 contribution to school construction needs and contemplates that
20 districts, consistent with their resources, will expend funds to aug-
21 ment the basic program of school construction aid authorized by this
22 chapter.

23 Sec. 14.18.020. STATE AID FOR SCHOOL CONSTRUCTION. (a) There
24 is in the Department of Education a school construction grant fund.
25 Funds appropriated by the legislature for school construction grants
26 under this section shall be deposited in the fund.

27 (b) Within the limits of state appropriations available for the
28 purpose, an organized borough or a city which is a school district is
29 entitled to state grants to supplement local funds which are expended

1 after July 1, 1971 for costs of new school construction, in the ratio
2 of no less than 90 per cent state funds to no more than 10 per cent
3 local matching funds, as provided in this chapter.

4 Sec. 14.18.030. LOCAL SHARE. (a) To qualify for a school con-
5 struction grant, the governing body shall make application and furnish
6 to the commissioner proof in the form required by him that it has
7 deposited in a local municipal capital project fund separate from other
8 municipal funds and accounts an amount to be utilized solely for costs
9 of a new school construction project within the district. The applica-
10 tion shall set out project specifications and cost estimates in the
11 detail that is required by the commissioner and an order of priority
12 for completion of projects which shall not be subsequently varied by
13 the governing body of the organized borough or city receiving aid
14 under this chapter without the approval of the commissioner.

15 (b) The amount deposited as local share in the municipal capital
16 project fund may be derived from any source other than funds allocated
17 for school district operating purposes under the Public School Founda-
18 tion Program or other state or federal law providing aid for school
19 operating purposes. In accepting proof of deposit of the local share,
20 the commissioner shall allow as part of the share the reasonable value
21 of in-kind contributions pledged and directly related to payment of
22 costs of construction. Determination of value by the commissioner
23 shall be final. If bonded or other indebtedness has been legally
24 authorized as required by law and the proceeds of the indebtedness
25 pledged by the governing body for use as the local share, the commis-
26 sioner shall credit the amount of the authorized indebtedness toward
27 the local share.

28 (c) Upon receipt of satisfactory proof of deposit of the local
29 share in the municipal capital project fund, the commissioner shall

1 authorize transfer from the school construction grant fund and deposit
2 in the local fund an amount equal to nine times the local share except
3 that an amount of aid based on proceeds of authorized indebtedness
4 shall not be paid over until the proceeds have been deposited in the
5 local fund. The authorized aid shall be transferred and deposited
6 according to the following schedule, unless the commissioner determines
7 otherwise in a particular case:

8 (1) 50 per cent upon award of a contract for construction
9 of the school project for which the aid is authorized;

10 (2) 40 per cent upon acceptance by the organized borough or
11 city of the completed project;

12 (3) 10 per cent upon final audit and report of costs of the
13 project.

14 Sec. 14.18.040. USE OF FUNDS. (a) State and local money
15 deposited in a municipal capital project fund under this chapter shall
16 be utilized solely to pay costs of a new school construction project
17 within the borough or city maintaining the fund in accordance with the
18 order of priority established in its application for aid or subse-
19 quently approved by the commissioner. The commissioner shall require
20 accounting of money in the fund in the uniform manner set out in the
21 Manual of Governmental Accounting, Auditing and Financial Reporting,
22 1968, as supplemented, issued by the National Committee on Governmental
23 Accounting.

24 (b) In the manner of other municipal investments the governing
25 body shall provide for investment of fund money above an amount suffi-
26 cient to meet current project demands. Earnings on investments shall
27 be credited to the fund and applied solely to project costs. The
28 amount of earnings shall be reported to the commissioner at a time
29 and in a form prescribed by him. The amount shall be credited towards

1 the amount of state aid approved by the commissioner for transfer and
2 deposit to the fund.

3 Sec. 14.18.045. INTENT. Projects for which aid is authorized
4 under this chapter are subject to the provisions of AS 07.15.330(e) -
5 (g) and are not public works or buildings the planning or construction
6 of which is under the control or supervision of the Department of
7 Public Works under AS 35.

8 Sec. 14.18.050. REPORTS. The department shall provide an annual
9 report to the legislature respecting grants made under this chapter.

10 Sec. 14.18.060. REGULATIONS. The department may promulgate
11 regulations to implement this chapter.

12 Sec. 14.18.070. DEFINITIONS. In this chapter

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

14 (2) "costs of new school construction" or "costs of a new
15 school construction project" means the cost of acquiring, constructing,
16 equipping or furnishing newly erected public elementary and secondary
17 school facilities for classroom and related purposes other than
18 athletic stadiums, spectator space and structures or other facilities
19 intended primarily for athletic exhibitions or for games or other
20 events for which admission is to be charged the public; the term
21 includes but is not limited to the cost of acquisition of sites, legal,
22 engineering, fiscal, architectural and other fees of specialists or
23 consultants, costs of labor, materials, equipment and supplies, and
24 costs of authorization, issuance and sale of bonds, notes or other
25 evidences of debt, exclusive of costs of debt amortization;

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

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

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