

Introduced: 2/17/77  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 CS SENATE BILL NO. 163

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public school facilities construc-  
7 tion; and providing for an effective date."

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

9 \* Section 1. AS 43.18.100(g) is repealed and re-enacted to read:

10 (g) The provisions of this section apply only to payments made  
11 with respect to public school facilities construction projects for  
12 which construction commenced before July 1, 1978 or for which bonding,  
13 notes, or other indebtedness was incurred before July 1, 1978.

14 \* Sec. 2. AS 43.18 is amended by adding new sections to read:

15 Sec. 43.18.110. PUBLIC SCHOOL FACILITIES CONSTRUCTION ACCOUNT.

16 The public school facilities construction account is established. The  
17 account consists of appropriations for distribution under secs. 110 -  
18 190 of this chapter to boroughs and cities which are school districts  
19 to assist in paying the basic costs of public school facilities pro-  
20 jects for which construction is commenced after June 30, 1978 and for  
21 which no bonding, notes, or other indebtedness was incurred before  
22 July 1, 1978.

23 Sec. 43.18.120. ELIGIBILITY. (a) Eligibility of a proposed  
24 construction project for funding assistance under secs. 110 - 190 of  
25 this chapter shall be determined by the department based on standards  
26 and criteria adopted by it. Relevant standards and criteria to be  
27 considered in determining eligibility include, but are not limited to,  
28 the following:

29 (1) emergency requirements;

- 1 (2) number of unhoused students;
- 2 (3) new elementary or secondary programs;
- 3 (4) existing community and school facilities and their
- 4 condition; and
- 5 (5) economic and social stability of the community.

6 Sec. 43.18.130. STATE AID. (a) The amount of state aid which  
7 may be paid to a borough or city which is a school district for the  
8 cost of facilities construction is calculated by multiplying the  
9 computed basic cost of construction (the product of the approved  
10 square footage for the facility, determined in the manner provided in  
11 (b) of this section, and the estimated local construction cost per  
12 square foot, as determined by the department) by the equalized percent-  
13 age of state support determined under (c) of this section. However,  
14 in no case may state aid exceed the amount of the actual cost of  
15 construction times the equalized percentage.

16 (b) The department shall determine the approved number of square  
17 feet for which an eligible construction project qualifies for state  
18 aid under secs. 110 - 190 of this chapter. The determination shall be  
19 made by taking into account the various factors which have an effect  
20 on the space required for a school construction project including, but  
21 not necessarily limited to, the number of students to be accommodated;  
22 type of educational program; type, age, condition, and use of existing  
23 facilities; and availability of academic classrooms, library, indoor  
24 physical education spaces, vocational education spaces, food service  
25 spaces, administration spaces; and storage, mechanical, electrical and  
26 related spaces.

27 (c) The percentage of state support for each borough or city  
28 which is a school district is computed according to the formula  $P_i =$   
29  $1 - (1-K) V_i/V_s$  in which

1 (1)  $P_i$  (equalized percentage) = per cent to be provided by  
2 the state;

3 (2)  $K$  (minimum level of state support) = 50 per cent;

4 (3)  $V_i$  (valuation per pupil in average daily membership in  
5 the district) = full and true value of taxable real and personal  
6 property within the district, as determined under AS 14.17.140, divided  
7 by the average daily membership of the district;

8 (4)  $V_s$  (valuation per pupil in average daily membership in  
9 the state) = average of the full and true valuation for taxable real  
10 and personal property within the state, as determined under AS 14.17.-  
11 140, divided by the average daily membership for all the boroughs and  
12 cities which are school districts of the state.

13 (d) State aid as computed under this section constitutes at  
14 least 50 per cent of the basic cost of construction computed under (a)  
15 of this section or 50 per cent of the actual cost of construction,  
16 whichever is less.

17 Sec. 43.18.140. REQUIRED LOCAL EFFORT. (a) Payment of state  
18 aid to a school district under secs. 110 - 190 of this chapter is  
19 contingent upon the district's providing a local effort in a ratio of  
20 required local effort to state contribution of  $(1-P_i)/P_i$  where  $P_i$  =  
21 equalized percentage as defined in sec. 130(c) of this chapter.

22 (b) Funds received under AS 43.50.140 (cigarette tax) may not be  
23 used to satisfy any portion of the required local effort.

24 Sec. 43.18.150. APPLICATION FOR AID. (a) The commissioner  
25 shall prescribe the necessary forms and procedures to be used in  
26 applying for construction cost assistance under secs. 110 - 190 of  
27 this chapter.

28 (b) A borough or city which is a school district seeking con-  
29 struction cost aid must apply to the department by September 15 of the

1 prior fiscal year.

2 (c) Based on his review of applications and his determination of  
3 project eligibility and priority, the commissioner shall select those  
4 construction projects which he considers justified and necessary and  
5 recommend to the governor an appropriation of funds for state aid for  
6 those projects under secs. 110 - 190 of this chapter.

7 Sec. 43.18.160. CONDITIONS OF STATE AID. (a) Funds distributed  
8 to a borough or city which is a school district during a school year  
9 under secs. 110 - 190 of this chapter must be received, held, and  
10 expended by the district in accordance with the applicable provisions  
11 of law and of regulations adopted by the department. Funds provided  
12 under secs. 110 - 190 of this chapter, but which are not required for  
13 the project for which they were granted or which are in excess of that  
14 borough's or city which is a district's entitlement for aid under sec.  
15 130(c) of this chapter must be returned to the department and deposited  
16 in the general fund.

17 (b) Each borough or city which is a school district shall main-  
18 tain financial records of the receipt and disbursement of state funds  
19 received under secs. 110 - 190 of this chapter and money provided  
20 toward local effort. The records must be in the form prescribed by  
21 the department and are subject to audit by it at any time.

22 (c) As they are developed, all plans for new schools, additions,  
23 and major rehabilitation must be submitted to the commissioner for  
24 approval. The commissioner's approval of final contract documents  
25 must be obtained before bids may be invited. The commissioner's  
26 approval of a plan is effective for two years unless a contract is  
27 awarded within that time.

28 (d) Upon completion of the construction project, the chief  
29 school administrator of the district shall report the total cost of

1 the project and means of financing it to the commissioner.

2 (e) Boroughs and cities that are school districts shall secure  
3 and maintain in full force and effect adequate property loss insurance  
4 for the replacement cost of the facility for all facilities constructed  
5 under secs. 110 - 190 of this chapter.

6 Sec. 43.18.170. CONSTRUCTION AND IMPLEMENTATION. (a) Secs.  
7 110 - 190 of this chapter may not be construed so as to create a debt  
8 of the state.

9 (b) Funds to carry out the provisions of secs. 110 - 190 of this  
10 chapter may be appropriated annually by the legislature into the  
11 public school facilities construction account. If amounts in the  
12 account are insufficient to meet the allocations authorized by the  
13 commissioner under secs. 110 - 190 of this chapter, such funds as are  
14 available shall be distributed pro rata among each borough and city  
15 which is a school district based upon its computed entitlement.

16 Sec. 43.18.180. REGULATIONS. The department shall adopt regula-  
17 tions necessary to carry out the provisions of secs. 110 - 190 of this  
18 chapter.

19 Sec. 43.18.190. DEFINITIONS. (a) In secs. 100 - 190 of this  
20 chapter, unless the context requires otherwise:

- 21 (1) "commissioner" means the commissioner of education;  
22 (2) "costs of facilities construction" means the cost of  
23 acquiring, constructing, enlarging, remodeling, equipping or furnishing  
24 of public elementary and secondary school buildings and includes but  
25 is not limited to the cost of acquisition of sites, legal, engineering,  
26 fiscal, architectural and other fees of specialists or consultants,  
27 costs of labor, materials, equipment and furnishings, costs of autho-  
28 rization, issuance and sale of bonds, notes, or other evidence of  
29 debt, but is limited to projects having a minimum total cost of \$10,000;

1 (3) "department" means the Department of Education.

2 (b) As used in AS 43.18.160(c), "plan" is comprised of three  
3 stages: (A) educational specifications;(B) schematic designs; and  
4 (C) final contract documents, including the working drawings and  
5 specifications as appropriate. Information provided at each stage  
6 must include, as a minimum, cost estimates, proposed means of financing,  
7 proposed construction contract type, and estimated advertisement and  
8 completion dates.

9 \* Sec. 3. AS 43.50.140 is repealed.

10 \* Sec. 4. This Act takes effect July 1, 1977.