

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/12/78
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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CS FOR SENATE BILL NO. 163

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to public school facilities construc-
tion; and 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 AS 43.18.100(g) is repealed and re-enacted to read:

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

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

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Sec. 43.18.110. PUBLIC SCHOOL FACILITIES CONSTRUCTION ACCOUNT.

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

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

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(1) emergency requirements;

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(2) number of unhoused students;

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

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

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

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

29 (1) P_i (equalized percentage) = per cent to be provided by

1 the state;

2 (2) K (median level of state support) = 80 per cent;

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

7 (4) Vm (median valuation per pupil in average daily member-
8 ship in all city and borough school districts) = the Vi of that district
9 which has the 50th percentile of the total number of pupils in all city
10 and borough school districts after being ranked in order of Vi.

11 (d) State aid as computed under this section constitutes at least
12 50 per cent of the basic cost of construction computed under (a) of this
13 section or 50 per cent of the actual cost of construction, whichever is
14 less.

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

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

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

25 (b) A borough or city which is a school district seeking con-
26 struction cost aid must apply to the department by September 15 of the
27 prior fiscal year.

28 (c) Based on his review of applications and his determination of
29 project eligibility and priority, the commissioner shall select those

1 construction projects which he considers justified and necessary and
2 recommend to the governor an appropriation of funds for state aid for
3 those projects under secs. 110 - 190 of this chapter.

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

14 (b) Each borough or city which is a school district shall maintain
15 financial records of the receipt and disbursement of state funds re-
16 ceived under secs. 110 - 190 of this chapter and money provided toward
17 local effort. The records must be in the form prescribed by the depart-
18 ment and are subject to audit by it at any time.

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

25 (d) Upon completion of the construction project, the chief school
26 administrator of the district shall report the total cost of the project
27 and means of financing it to the commissioner.

28 (e) Boroughs and cities that are school districts shall secure and
29 maintain in full force and effect adequate property loss insurance for

1 the replacement cost of the facility for all facilities constructed
2 under secs. 110 - 190 of this chapter.

3 Sec. 43.18.170. CONSTRUCTION AND IMPLEMENTATION. (a) Sections
4 110 - 190 of this chapter may not be construed so as to create a debt of
5 the state.

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

13 Sec. 43.18.180. REGULATIONS. The department shall adopt regula-
14 tions necessary to carry out the provisions of secs. 110 - 190 of this
15 chapter.

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

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

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

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

28 (b) As used in AS 43.18.160(c), "plan" is comprised of three
29 stages: (A) educational specifications; (B) schematic designs; and

1 (C) final contract documents, including the working drawings and speci-
2 fications as appropriate. Information provided at each stage must
3 include, as a minimum, cost estimates, proposed means of financing,
4 proposed construction contract type, and estimated advertisement and
5 completion dates.

6 * Sec. 3. AS 43.50.140 is repealed.

7 * Sec. 4. This Act takes effect July 1, 1979.
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