

Original sponsors: Carney, Buchholdt,  
Zharoff, et al

Offered: 5/29/81  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 279 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to school construction and transfer-  
7 ring the administration of the school construction  
8 grant program from the Department of Transportation  
9 and Public Facilities to the Department of Education;  
10 and providing for an effective date."

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

12 \* Section 1. AS 14.07.020(11) is amended to read:

13 (11) review plans for construction of [AND] new public elemen-  
14 tary and secondary schools and for additions to and major rehabilitation  
15 of existing public elementary and secondary schools and, in accordance  
16 with regulations adopted by the department, determine the extent of  
17 eligibility for state aid of a school construction project begun after  
18 July 1, 1978, and administer and direct the planning, designing, and  
19 construction of schools and public works projects related to education  
20 begun after July 1, 1981; for the purposes of this paragraph, a "plan"  
21 includes educational specifications, schematic designs, and final  
22 contract documents;

23 \* Sec. 2. AS 14.07 is amended by adding new sections to read:

24 ARTICLE 3. CONSTRUCTION, REHABILITATION, AND IMPROVEMENT  
25 OF SCHOOLS AND RELATED FACILITIES.

26 Sec. 14.07.180. RECOMMENDATIONS AND EVALUATIONS OF PROJECTS. (a)  
27 The assembly or council of a municipality which is a school district or  
28 a regional school board may submit a request to the department for a  
29 school or education-related facility construction, rehabilitation, or

1 improvement project together with a report evaluating the condition of  
2 school or education-related facilities and a determination of the need  
3 for the project.

4 (b) With regard to projects requested under (a) of this section  
5 the department shall

6 (1) rank each project in the order of priority which serves  
7 the best interests of the state;

8 (2) prepare an estimate of the amount of money needed to  
9 finance each project approved by the department and recommend to the  
10 governor appropriations for projects to be included in the budget sub-  
11 mitted to the legislature;

12 (3) provide the governor with a copy of the report of the  
13 assembly, council, or regional school board which requested each project  
14 approved by the department;

15 (4) provide to the legislature within the first 10 days of  
16 each regular session a summary of the projects requested by each  
17 assembly, council, or regional school board.

18 (c) In establishing priorities among requested projects the  
19 department shall evaluate at least the following factors:

20 (1) priorities assigned by the assembly, council, or school  
21 board to the projects requested;

22 (2) emergency requirements;

23 (3) number of students without classroom space;

24 (4) new local elementary or secondary programs;

25 (5) existing regional, community, and school facilities and  
26 the condition of the facilities;

27 (6) economic and social stability of the municipality or  
28 region.

29 Sec. 14.07.190. ASSUMPTION OF RESPONSIBILITIES. (a) A school

1 district or regional educational attendance area may, by resolution of  
2 the school board, request the assumption or joint exercise with the  
3 department of all or part of the department's responsibilities under  
4 AS 14.07.020(11) relating to the planning, design, and construction of  
5 a school or an education-related facility located within the boundaries  
6 or operating area of the school district or regional educational atten-  
7 dance area. After receipt of a request, the department shall provide  
8 for the assumption or joint exercise by the school district or regional  
9 educational attendance area of those responsibilities requested.

10 (b) If a school district or regional educational attendance area  
11 assumes the department's responsibilities under this section, the  
12 department shall transfer appropriations made for the school or educa-  
13 tion-related facility to a special construction account in the state  
14 treasury. Under the fiscal control of the department, a school district  
15 or regional educational attendance area administering the project as  
16 provided in this section may draw on the account for costs of the  
17 project.

18 (c) The commissioner shall adopt necessary regulations implement-  
19 ing this section, and setting out the requirements for agreements  
20 between the department and a school district or regional educational  
21 attendance area relating to the assumption or joint exercise by the  
22 school district or regional educational attendance area of the depart-  
23 ment's responsibilities under AS 14.07.020(11).

24 \* Sec. 3. AS 14.08.101(7) is repealed and reenacted to read:

25 (7) recommend to the department projects for construction,  
26 rehabilitation, and improvement of schools and education-related facili-  
27 ties as specified in AS 14.07.180(a), and carry out the project when  
28 the responsibility for it is transferred under AS 14.07.190;

29 \* Sec. 4. AS 35.15.080(a) is amended to read:

1 (a) A municipality [OR, IF THE PUBLIC WORK IS AN EDUCATIONAL  
2 FACILITY, A REGIONAL EDUCATIONAL ATTENDANCE AREA ESTABLISHED UNDER  
3 AS 14.08] may, by resolution of its governing body, request the assump-  
4 tion of all or part of the department's responsibilities relating to  
5 the planning, design, and construction of a public works project of the  
6 state which is to be located within the boundaries [OR OPERATING AREA]  
7 of the municipality [OR REGIONAL EDUCATIONAL ATTENDANCE AREA] and which  
8 would otherwise be constructed in the manner provided in AS 35.15.010.  
9 After receipt of the request, the department

10 [(1) SHALL PROVIDE FOR THE ASSUMPTION BY THE MUNICIPALITY OR  
11 REGIONAL EDUCATIONAL ATTENDANCE AREA OF ALL OF THE DEPARTMENT'S RESPON-  
12 SIBILITIES RELATING TO THE PLANNING, DESIGN AND CONSTRUCTION OF AN  
13 EDUCATIONAL FACILITY;

14 (2)] may provide by agreement for transfer to and assumption  
15 by the municipality of the department's responsibilities relating to  
16 the [PLANNING, DESIGN, AND CONSTRUCTION OF A PUBLIC WORKS] project,  
17 unless the commissioner determines that assumption of responsibilities  
18 by the municipality is not practicable or not in the best interests of  
19 the state.

20 \* Sec. 5. AS 35.15.080(c) is amended to read:

21 (c) A municipality may request joint assumption of responsibili-  
22 ties with the department relating to the planning, design, and construc-  
23 tion of a public works project. [A REGIONAL EDUCATIONAL ATTENDANCE  
24 AREA MAY REQUEST JOINT ASSUMPTION OF RESPONSIBILITIES WITH THE DEPART-  
25 MENT RELATING TO THE PLANNING, DESIGN AND CONSTRUCTION OF AN EDUCATIONAL  
26 FACILITY.] Two or more municipalities [OR REGIONAL EDUCATIONAL ATTEN-  
27 DANCE AREAS] may by [MUTUAL] agreement provide for cooperative assump-  
28 tion of responsibilities relating to the planning, design, and construc-  
29 tion of a public works project. If two or more municipalities [OR

1 REGIONAL EDUCATIONAL ATTENDANCE AREAS] request assumption of responsi-  
2 bilities for a project and meet the standard of practicability set out  
3 in (a) [(a)(2)] of this section, the commissioner shall determine which  
4 municipality [OR REGIONAL EDUCATIONAL ATTENDANCE AREA] is best able to  
5 direct planning, design, and construction of the project and enter into  
6 an agreement with that municipality [OR REGIONAL EDUCATIONAL ATTENDANCE  
7 AREA,] or provide for joint or cooperative administration, as the  
8 parties may agree or the commissioner may determine. Decisions of the  
9 commissioner under this subsection are final.

10 \* Sec. 6. AS 35.15.090 is amended to read:

11 Sec. 35.15.090. USE OF APPROPRIATED FUNDS. Upon [ASSUMPTION BY A  
12 MUNICIPALITY OR REGIONAL EDUCATIONAL ATTENDANCE AREA OF THE DEPARTMENT'S  
13 RESPONSIBILITIES UNDER AS 35.15.080(a)(1), OR UPON] execution of an  
14 agreement under AS 35.15.080(a) [AS 35.15.080(a)(2)], state funds  
15 appropriated for a public works project which is the subject of the  
16 [ASSUMPTION OR THE] agreement shall be transferred to a special account  
17 in the state treasury. A municipality [OR REGIONAL EDUCATIONAL ATTEN-  
18 DANCE AREA] administering the project under the [ASSUMPTION OR] agree-  
19 ment may draw on the account for costs of the project, under fiscal  
20 control of the department. If an agreement provides for joint or  
21 cooperative administration of the project, payment of costs shall be  
22 made to the party incurring the costs.

23 \* Sec. 7. AS 43.18.100(a) is amended to read:

24 (a) During each fiscal year, the state shall allocate to an  
25 organized borough or a city which is a school district, the following  
26 sums:

27 (1) payments made by the borough or city during the fiscal  
28 year [TWO YEARS EARLIER] for the retirement of principal and interest  
29 on outstanding bonds, notes or other indebtedness incurred before

1 July 1, 1981, [1977] to pay costs of school construction; and

2 [(2) 80 PERCENT OF

3 (A) PAYMENTS MADE BY THE BOROUGH OR CITY DURING THE  
4 FISCAL YEAR TWO YEARS EARLIER FOR THE RETIREMENT OF PRINCIPAL AND  
5 INTEREST ON OUTSTANDING BONDS, NOTES OR OTHER INDEBTEDNESS INCURRED  
6 AFTER JUNE 30, 1977 AND BEFORE JULY 1, 1978 TO PAY COSTS OF SCHOOL  
7 CONSTRUCTION;

8 (B) CASH PAYMENTS MADE AFTER JUNE 30, 1976 AND BEFORE  
9 JULY 1, 1978 BY THE BOROUGH OR CITY DURING THE FISCAL YEAR TWO  
10 YEARS EARLIER TO PAY COSTS OF SCHOOL CONSTRUCTION;]

11 (3) subject to (h) and (i) of this section, [80 PERCENT OF]

12 (A) payments made by the borough or city during the  
13 fiscal year [TWO YEARS EARLIER] for the retirement of principal  
14 and interest on outstanding bonds, notes or other indebtedness  
15 incurred after June 30, 1981, [1978] to pay costs of school con-  
16 struction, additions to schools, and major rehabilitation projects  
17 that exceed \$10,000 and are approved under AS 14.07.020(11);

18 (B) cash payments made after June 30, 1979, [1978] by  
19 the borough or city during the fiscal year two years earlier to  
20 pay costs of school construction, additions to schools, and major  
21 rehabilitation projects that exceed \$10,000 and are approved under  
22 AS 14.07.020(11).

23 \* Sec. 8. AS 43.18.100(b) is amended to read:

24 (b) The commissioner shall administer the program of reimburse-  
25 ment authorized under this section and shall provide by regulation for  
26 the filing of applications for reimbursement, the form of proof of  
27 costs for which application for reimbursement is made, and other regula-  
28 tions necessary to administer the program. Based on debt retirement  
29 schedules provided by the Department of Revenue, the commissioner shall

1 pay the money due a borough or city under this section directly to the  
2 person designated in bond covenants to receive payments on behalf of  
3 the bondholders if directed to do so by resolution of the governing  
4 body of the borough or city. The commissioner shall exclude from the  
5 total school construction cost of the school [LOCAL] district all state  
6 and federal funds included in these costs except funds provided under  
7 this section [AND AS 43.50.140]. In approving applications for re-  
8 imbursement, the commissioner shall

9 [(1) OFFSET AGAINST THE AMOUNT OF REIMBURSEMENT AUTHORIZED  
10 THE AMOUNT OF ANY FUNDS DISTRIBUTED TO THE BOROUGH OR CITY IN THE  
11 SECOND PRECEDING FISCAL YEAR FROM THE SCHOOL FUND PROVIDED FOR IN  
12 AS 43.50.140;

13 (2)] require the borough or city to provide, with its appli-  
14 cation, a certified copy of the notice to taxpayers required under  
15 AS 43.18.030.

16 \* Sec. 9. AS 43.18.100 is amended by adding new subsections to read:

17 (h) An allocation under (a)(3) of this section shall be reduced  
18 by the amount of money used for the construction of residential space,  
19 swimming pools, hockey rinks, planetariums, saunas, and other facili-  
20 ties for special sporting or recreational uses which are not suitable  
21 for other activities.

22 (1) For the purposes of (a)(3) of this section

23 (1) an indebtedness for bonds is incurred after the bonds  
24 are sold;

25 (2) reimbursement for a cash payment may only be made after  
26 the payment is made to a vendor; and

27 (3) payments may not be made for costs which are incurred  
28 under a contract after the contract has been released.

29 \* Sec. 10. During the fiscal year ending June 30, 1982, the state shall

1 pay to a borough or city which is a school district the difference between  
2 the total amount of payments made to pay cost of school construction by the  
3 borough or city during fiscal year 1980 (including cash payments and payments  
4 for the retirement of indebtedness) and the amount of the allocation made to  
5 the borough or city under this Act during fiscal year 1982.

6 \* Sec. 11. During the fiscal year ending June 30, 1983, the state shall  
7 pay to a borough or city which is a school district the difference between  
8 the total amount of payments made to pay cost of school construction by the  
9 borough or city during fiscal year 1981 (including cash payments and payments  
10 for the retirement of indebtedness) and the amount of the allocation made to  
11 the borough or city under this Act during fiscal year 1983.

12 \* Sec. 12. AS 14.08.161 is repealed.

13 \* Sec. 13. This Act takes effect July 1, 1981.

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