

Original sponsors: Carney, Buchholdt,
Zharoff, et al

Offered: 5/21/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 279 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to school construction and transfer-
7 ring the administration of school or education-related
8 facility construction from the Department of Transpor-
9 tation and Public Facilities to the Department of
10 Education; 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 and approve the
17 extent of eligibility for state aid of a school construction project
18 begun after July 1, 1978; for the purposes of this paragraph, "plans"
19 include [A "PLAN" INCLUDES] educational specifications, schematic
20 designs, and final contract documents;

21 * Sec. 2. AS 14.07.020 is amended by adding a new paragraph to read:

22 (13) administer the grants awarded under AS 14.07.190.

23 * Sec. 3. AS 14.07 is amended by adding new sections to read:

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

26 Sec. 14.07.180. RECOMMENDATIONS AND EVALUATIONS OF PROJECTS. (a)

27 The assembly or council of a municipality that is a school district or a
28 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 in the municipality or regional
3 educational attendance area and a determination of the need for the
4 project.

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

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

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

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

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

19 (c) In establishing priorities among requested projects the depart-
20 ment shall evaluate at least the following factors:

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

23 (2) emergency requirements;

24 (3) number of students without classroom space;

25 (4) new local elementary or secondary programs;

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

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

1 (d) The provisions of this section do not affect a municipality's
2 eligibility for reimbursement under AS 43.18.100.

3 Sec. 14.07.190. ASSUMPTION OF RESPONSIBILITIES. (a) The assembly
4 or council of a municipality that is a school district or a regional
5 school board may, by resolution or majority vote of the body, assume the
6 responsibilities relating to the planning, design, and construction of a
7 school or an education-related facility located within the boundaries or
8 operating area of the municipality or regional educational attendance
9 area. After receipt of a request by an assembly or council under this
10 subsection, the department shall provide for the assumption of the
11 responsibilities requested. After receipt of a request by a regional
12 school board under this subsection, the department may provide for the
13 assumption of the responsibilities requested.

14 (b) If a municipality that is a school district or a regional
15 educational attendance area assumes the responsibilities under this
16 section, the department shall grant to the municipality or regional
17 educational attendance area money appropriated for the school or educa-
18 tion-related facility. The department may transfer the appropriations
19 to a special construction account in the state treasury. Under the
20 fiscal control of the department, a municipality or regional educational
21 attendance area that assumes responsibilities for the project as pro-
22 vided in this section may draw on the account for costs of the project.

23 (c) The construction management costs of a project assumed under
24 this section may not exceed four percent of the amount of appropriations
25 for the facility if the amount of appropriations is \$500,000 or less.
26 The construction management costs of a project assumed under this section
27 may not exceed three percent of the amount of appropriations for the
28 facility if the amount of appropriations is over \$500,000 but less than
29 \$5,000,000. The construction management costs of a project assumed

1 under this section may not exceed two percent of the amount of appro-
2 priations for the facility if the amount of appropriations is \$5,000,000
3 or more. For purposes of this subsection "construction management"
4 means management of the project's schedule, quality, and budget during
5 any phase of the planning, design, and construction of the facility by a
6 private contractor engaged by the municipality or regional educational
7 attendance area.

8 (d) The commissioner shall adopt necessary regulations implement-
9 ing this section, and setting out the requirements for agreements between
10 the department and a municipality or regional educational attendance
11 area relating to the assumption by the municipality or regional educa-
12 tional attendance area of responsibilities for the planning, design, and
13 construction of a project.

14 * Sec. 4. AS 14.08.101(7) is repealed and reenacted to read:

15 (7) recommend to the department projects for construction,
16 rehabilitation, and improvement of schools and education-related facili-
17 ties as specified in AS 14.07.180(a), and plan, design, and construct
18 the project when the responsibility for it is assumed under AS 14.07.-
19 190;

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

21 (a) A municipality [OR, IF THE PUBLIC WORK IS AN EDUCATIONAL
22 FACILITY, A REGIONAL EDUCATIONAL ATTENDANCE AREA ESTABLISHED UNDER
23 AS 14.08] may, by resolution of its governing body, request the assump-
24 tion of all or part of the department's responsibilities relating to the
25 planning, design, and construction of a public works project of the
26 state that [WHICH] is to be located within the boundaries [OR OPERATING
27 AREA] of the municipality [OR REGIONAL EDUCATIONAL ATTENDANCE AREA] and
28 that [WHICH] would otherwise be constructed in the manner provided in
29 AS 35.15.010. After receipt of the request, the department

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

5 (2)] may provide by agreement for transfer to and assumption
6 by the municipality of the department's responsibilities relating to the
7 [PLANNING, DESIGN, AND CONSTRUCTION OF A PUBLIC WORKS] project, unless
8 the commissioner determines that assumption of responsibilities by the
9 municipality is not practicable or not in the best interests of the
10 state.

11 * Sec. 6. AS 35.15.080(c) is amended to read:

12 (c) A municipality may request joint assumption of responsibili-
13 ties with the department relating to the planning, design, and construc-
14 tion of a public works project. [A REGIONAL EDUCATIONAL ATTENDANCE AREA
15 MAY REQUEST JOINT ASSUMPTION OF RESPONSIBILITIES WITH THE DEPARTMENT
16 RELATING TO THE PLANNING, DESIGN AND CONSTRUCTION OF AN EDUCATIONAL
17 FACILITY.] Two or more municipalities [OR REGIONAL EDUCATIONAL ATTEN-
18 DANCE AREAS] may by [MUTUAL] agreement provide for cooperative assump-
19 tion of responsibilities relating to the planning, design, and construc-
20 tion of a public works project. If two or more municipalities [OR
21 REGIONAL EDUCATIONAL ATTENDANCE AREAS] request assumption of responsi-
22 bilities for a project and meet the standard of practicability set out
23 in (a) [(a)(2)] of this section, the commissioner shall determine which
24 municipality [OR REGIONAL EDUCATIONAL ATTENDANCE AREA] is best able to
25 direct planning, design, and construction of the project and enter into
26 an agreement with that municipality [OR REGIONAL EDUCATIONAL ATTENDANCE
27 AREA,] or provide for joint or cooperative administration, as the parties
28 may agree or the commissioner may determine. Decisions of the commis-
29 sioner under this subsection are final.

1 * Sec. 7. AS 35.15.090 is amended to read:

2 Sec. 35.15.090. USE OF APPROPRIATED FUNDS. Upon [ASSUMPTION BY A
3 MUNICIPALITY OR REGIONAL EDUCATIONAL ATTENDANCE AREA OF THE DEPARTMENT'S
4 RESPONSIBILITIES UNDER AS 35.15.080(a)(1), OR UPON] execution of an
5 agreement under AS 35.15.080(a) [AS 35.15.080(a)(2)], state funds appro-
6 priated for a public works project which is the subject of the [ASSUMP-
7 TION OR THE] agreement shall be transferred to a special account in the
8 state treasury. A municipality [OR REGIONAL EDUCATIONAL ATTENDANCE
9 AREA] administering the project under the [ASSUMPTION OR] agreement may
10 draw on the account for costs of the project, under fiscal control of
11 the department. If an agreement provides for joint or cooperative
12 administration of the project, payment of costs shall be made to the
13 party incurring the costs.

14 * Sec. 8. AS 43.18.100(a) is amended to read:

15 (a) During each fiscal year, the state shall allocate to a municipi-
16 pality that [AN ORGANIZED BOROUGH OR A CITY WHICH] is a school district,
17 the following sums:

18 (1) payments made by the municipality [BOROUGH OR CITY]
19 during the fiscal year two years earlier for the retirement of principal
20 and interest on outstanding bonds, notes or other indebtedness incurred
21 before July 1, 1977 to pay costs of school construction;

22 (2) 90 [80] percent of

23 (A) payments made by the municipality [BOROUGH OR CITY]
24 during the fiscal year two years earlier for the retirement of
25 principal and interest on outstanding bonds, notes or other indebt-
26 edness incurred after June 30, 1977 and before July 1, 1978 to pay
27 costs of school construction;

28 (B) cash payments made after June 30, 1976 and before
29 July 1, 1978 by the municipality [BOROUGH OR CITY] during the

1 fiscal year two years earlier to pay costs of school construction;

2 (3) 90 [80] percent of

3 (A) payments made by the municipality [BOROUGH OR CITY]
4 during the fiscal year two years earlier for the retirement of
5 principal and interest on outstanding bonds, notes or other indebt-
6 edness incurred after June 30, 1978 and before January 1, 1982 to
7 pay costs of school construction projects approved under AS 14.07.-
8 020(11);

9 (B) cash payments made after June 30, 1978 and before
10 July 1, 1982 by the municipality [BOROUGH OR CITY] during the
11 fiscal year two years earlier to pay costs of school construction
12 projects approved under AS 14.07.020(11);

13 (4) subject to (h) and (i) of this section 90 percent of

14 (A) payments made by the municipality during the current
15 fiscal year for the retirement of principal and interest on out-
16 standing bonds, notes or other indebtedness incurred after Decem-
17 ber 31, 1981 to pay costs of school construction, additions to
18 schools, and major rehabilitation projects that exceed \$25,000
19 and are approved under AS 14.07.020(11); and

20 (B) cash payments made after June 30, 1982 by the
21 municipality during the fiscal year two years earlier to pay costs
22 of school construction, additions to schools, and major rehabili-
23 tation projects that exceed \$25,000 and are approved under AS 14.-
24 07.020(11).

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

26 (h) An allocation under (a)(4) of this section for school construc-
27 tion begun after July 1, 1982, shall be reduced by the amount of money
28 used for the construction of residential space, hockey rinks, planetar-
29 iums, saunas, and other facilities for single purpose sporting or recrea-

1 tional uses that are not suitable for other activities. An allocation
2 under (a)(4) of this section may not be reduced by the amount of money
3 used for construction of a small swimming pool, tank, or water storage
4 facility used for water sports. However, an allocation shall be reduced
5 by the difference between the amount of money used to construct a swim-
6 ming pool that is competition size or larger and the amount of money
7 that would have been used to construct a small swimming pool, tank, or
8 water storage facility, as determined by the commissioner.

9 (i) For the purposes of (a)(4) of this section

10 (1) an indebtedness for bonds is incurred after the bonds are
11 sold;

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

14 (3) payments may not be made for costs that are incurred
15 under a contract after the contract has been released.

16 * Sec. 10. AS 14.08.161 and AS 43.18.100(b)(2) are repealed.

17 * Sec. 11. This Act takes effect July 1, 1982.
18
19
20
21
22
23
24
25
26
27
28
29