

Offered: 3/24/86
Referred: Community & Regional
Affairs and Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE
2
3 CS FOR HOUSE BILL NO. 520 (HESS)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to public school construction; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 14.08.151 is amended by adding new subsections to read:
11 (c) The interest conveyed to the regional school board under
12 this section is subject to
13 (1) all the limitations imposed by the state's predecessors
14 in interest;
15 (2) the rights of municipalities established after the
16 effective date of this Act that are authorized by AS 29 to operate
17 schools in the community; and
18 (3) other terms, including possibilities of reverter and
19 reversions, that the department holding title imposes.
20 (d) If a school facility constructed by a regional educational
21 attendance area under authority assumed under AS 14.11.020, in which
22 the state retains an interest, ceases to be used for school purposes,
23 the department may dispose of the facility in accordance with law.
24 * Sec. 2. AS 14.11.010(b) is repealed and reenacted to read:
25 (b) With regard to projects requested under (a) of this section
26 the department shall
27 (1) with such technical assistance or comments as the
28 department may request from other state agencies, prepare an estimate
29 of the appropriation needed to finance each project approved by the
department;

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

3 (3) recommend to the governor appropriations for projects
4 to be included in the budget submitted to the legislature;

5 (4) provide the governor with a copy of the report of the
6 assembly, council, or regional school board that requested each proj-
7 ect approved by the department;

8 (5) provide to the legislature within the first 10 days of
9 each regular session a summary of the projects requested by each
10 assembly, council, or regional school board.

11 * Sec. 3. AS 14.11.010(c) is amended to read:

12 (c) In establishing priorities among requested projects the
13 department shall identify and evaluate at least the following factors:

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

16 (2) emergency requirements;

17 (3) the number of students without classroom space;

18 (4) new local elementary or secondary programs;

19 (5) existing regional, community, and school facilities and
20 the condition of the facilities;

21 (6) the economic and social stability of the municipality
22 or region;

23 (7) demographic data indicating present and projected
24 enrollment, and population trends in the municipality or region; and

25 (8) after December 31, 1988, the condition of existing
26 school facilities in the community in comparison to all other schools
27 in the state.

28 * Sec. 4. AS 14.11 is amended by adding a new section to read:

29 Sec. 14.11.030. SCHOOL CONDITION SURVEY. (a) Each school

1 district requesting project approval under AS 14.11.010 or 14.11.102
2 shall inspect and inventory each of its schools and education related
3 facilities, under standards adopted by the department in compliance
4 with AS 44.62, noting their age, condition, compliance with laws and
5 regulations relating to health and safety, building codes, and annual
6 maintenance and operations costs. The inventory shall be submitted to
7 the department for review and analysis.

8 (b) The department may inspect and inventory the schools and
9 education related facilities in the state under standards adopted
10 under the Administrative Procedure Act (AS 44.62).

11 (c) Each school district shall annually revise its inventory by
12 including new schools constructed, rehabilitations or additions to
13 existing schools, and major maintenance and repairs paid for with
14 local money, state municipal grants, appropriations under AS 14.11.020
15 and debt reimbursed under AS 14.11.100. Each school district shall
16 also annually report the amount of money spent in the previous fiscal
17 year for maintenance and operations costs in a uniform manner as
18 required by the department. The annual revisions must be submitted to
19 the department for review and analysis.

20 (d) After December 31, 1988, the condition of the school dis-
21 trict's schools and education related facilities in comparison to all
22 other schools in the state must be a factor in evaluation of projects
23 under AS 14.11.010 and 14.11.102.

24 * Sec. 5. AS 14.11.100(a)(5) is amended to read:

25 (5) subject to (h), (i), and (j) of this section, 80 per-
26 cent of

27 (A) payments made by the municipality during the
28 fiscal year for the retirement of principal and interest on
29 outstanding bonds, notes or other indebtedness authorized by the

1 qualified voters of the municipality after June 30, 1983, and
2 before April 1, 1986, to pay costs of school construction, addi-
3 tions to schools, and major rehabilitation projects that exceed
4 \$25,000 and are approved under AS 14.07.020(11); and

5 (B) cash payments made after June 30, 1983, and before
6 July 1, 1986, by the municipality during the fiscal year two
7 years earlier to pay costs of school construction, additions to
8 schools, and major rehabilitation projects that exceed \$25,000
9 and are approved under AS 14.07.020(11).

10 * Sec. 6. AS 14.11.100(a) is amended by adding a new paragraph to read:

11 (6) subject to (h), (i), and (j) of this section

12 (A) payments made by the municipality during the
13 fiscal year for the retirement of principal on outstanding bonds,
14 notes or other indebtedness authorized by the qualified voters of
15 the municipality after March 31, 1986, to pay costs of school
16 construction, additions to schools, and major rehabilitation
17 projects that exceed \$25,000 and that are approved under AS 14.-
18 11.102; and

19 (B) 80 percent of cash payments made after June 30,
20 1986, by the municipality during the fiscal year two years earli-
21 er to pay costs of school construction, additions to schools, and
22 major rehabilitation projects that exceed \$25,000 and are app-
23 roved under AS 14.11.102.

24 * Sec. 7. AS 14.11.100(b) is amended to read:

25 (b) The commissioner shall administer the program of reimburse-
26 ment authorized under this section and shall provide by regulation for
27 the filing of applications for reimbursement, the form of proof of
28 costs for which application for reimbursement is made, and other
29 regulations necessary to administer the program. The commissioner

1 shall exclude from the total school construction cost of the local
2 district all state and federal funds included in these costs except
3 funds provided under this section and AS 43.50.140. In approving
4 applications for reimbursement, the commissioner shall

5 [(1)] offset against the amount of reimbursement authorized
6 the amount of any funds distributed to the borough or city in the
7 second preceding fiscal year from the school fund provided for in
8 AS 43.50.140. [;

9 (2) Repealed]

10 * Sec. 8. AS 14.11.100(h) is amended to read:

11 (h) In determining an [AN] allocation under (a)(4), [OR] (5), or
12 (6) of this section for school construction begun after July 1, 1982,
13 the costs of school construction must [SHALL] be reduced by the amount
14 of money used for the construction of residential space, hockey rinks,
15 planetariums, saunas, and other facilities for single purpose sporting
16 or recreational uses that are not suitable for other activities and by
17 the money used for construction that exceeds the amount needed for
18 construction of a facility of efficient design as determined by the
19 department. The costs of school construction [AN ALLOCATION UNDER (a)
20 (4) or (5) OF THIS SECTION] may not be reduced by the amount of money
21 used for construction of a small swimming pool, tank, or water storage
22 facility used for water sports. However, an allocation shall be
23 reduced by the difference between the amount of money used to con-
24 struct a swimming pool that exceeds the standards adopted by the
25 department and the amount of money that would have been used to con-
26 struct a small swimming pool, tank, or water storage facility, as
27 determined by the commissioner.

28 * Sec. 9. AS 14.11.100(i) is amended to read:

29 (i) For the purposes of (a)(4), [AND] (5), and (6) of this

1 section

2 (1) an indebtedness for bonds is incurred after the bonds
3 are sold;

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

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

8 * Sec. 10. AS 14.11.100(j) is amended to read:

9 (j) The state may not allocate money to a municipality for a
10 school construction project under (a)(5) or (6) of this section unless
11 the municipality complies with the requirements of (1) - (4) of this
12 subsection and the project is approved under AS 14.11.102 [BY THE
13 COMMISSIONER] before the local vote on the bond issue for the project.
14 In approving a project under this subsection, the commissioner shall
15 require

16 (1) the municipality to include on the ballot for the bond
17 issue the estimated total cost of each project including estimated
18 annual operation and maintenance costs and the estimated amounts that
19 will be paid by the state and by the municipality;

20 (2) that the bonds may not be refunded unless the present
21 value of the annual debt service on the refunding issue is not greater
22 than 95 percent of the present value of the annual debt service on the
23 original issue;

24 (3) that the bonds must be repaid in approximately equal
25 annual principal payments [OR APPROXIMATE EQUAL DEBT SERVICE PAYMENTS]
26 over a period of [AT LEAST] 10 years or a different term that may be
27 established by the state bond committee under AS 37.15.790;

28 (4) the municipality to demonstrate need for the project by
29 establishing that the school district has

1 (A) projected long-term student enrollment that indi-
2 cates the district has inadequate facilities to meet present or
3 projected enrollment; or

4 (B) facilities that require repair or replacement in
5 order to meet health and safety laws or regulations or building
6 codes.

7 * Sec. 11. AS 14.11 is amended by adding a new section to read:

8 Sec. 14.11.101. MUNICIPAL DEBT. The portion of municipal school
9 debt subject to reimbursement by the state is not subject to a munici-
10 pal debt limit unless the debt limit is adopted by the municipality
11 and expressly applies to reimbursable portions of school debt.

12 * Sec. 12. AS 14.11.102 is amended to read:

13 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall
14 evaluate projects for which retirement of school construction debt
15 under AS 14.11.100(a)(6) is requested by school districts in accor-
16 dance with the procedures set out in AS 14.11.010 and criteria set out
17 in AS 14.11.100(j)(4). [A REQUEST FOR AN ALLOCATION OF FUNDS UNDER
18 AS 14.11.100 MUST BE SUBMITTED TO THE DEPARTMENT BY THE SCHOOL
19 DISTRICT NO LATER THAN OCTOBER 15 OF THE FISCAL YEAR BEFORE THE FISCAL
20 YEAR FOR WHICH THE REQUEST IS MADE.]

21 * Sec. 13. AS 14.11.102 is amended by adding new subsections to read:

22 (b) After reviewing all projects for which retirement of school
23 construction debt is requested, the department shall rank the projects
24 approved under this section in the order in which each serves the best
25 interests of the state. All projects approved, but for which no
26 allocation of money has been made under AS 14.11.103, shall be in-
27 cluded in the same ranking.

28 (c) In considering requests under this section, the department
29 may reject requests due to

1 (1) incomplete information or documentation provided by the
2 school district;

3 (2) a determination that existing facilities can adequately
4 serve the program requirements or that alternative projects are in the
5 best interests of the state;

6 (3) a determination that the project is inappropriate for
7 education construction and should be a district maintenance and opera-
8 tion expenditure; or

9 (4) a determination that the project is not in the best
10 interest of the state.

11 (d) The department shall develop, with technical assistance that
12 may be provided by other state agencies, an estimate, under appropri-
13 ate design standards for its geographic location, of the amount needed
14 to construct each project under (b) of this section for which it
15 appears approval for reimbursement will be granted.

16 (e) The department may, based upon the estimate prepared, either
17 approve the project in the amount requested or approve the school
18 district's request in a lesser amount.

19 * Sec. 14. AS 14.11 is amended by adding a new section to read:

20 Sec. 14.11.103. ALLOCATIONS OF MONEY FOR SCHOOL DEBT RETIREMENT.

21 (a) A request for an allocation of money under AS 14.11.100 for
22 school construction debt retirement shall be submitted to the depart-
23 ment by the school district no later than October 15 of the fiscal
24 year before the fiscal year for which the request is made.

25 (b) Before a request for an allocation of money for retirement
26 of school construction debt under AS 14.11.100(a)(6) is submitted, the
27 project must have been approved and ranked under the provisions of
28 AS 14.11.102.

29 (c) The department shall approve requests for allocations for

1 debt retirement for which no previous allocation has been made in the
2 order of the priority established under AS 14.11.102,

3 (1) if state allocations under AS 14.11.100(a)(6), when
4 combined with all existing state allocations under AS 14.11.100(a)(6),
5 (A) result in total state allocations for retirement of principal that
6 do not exceed \$10,000,000, or a lesser amount determined by the state
7 bond committee under AS 37.15.790, or (B) result in total state allo-
8 cations for cash payments that do not exceed \$5,000,000, in any year
9 before the retirement of all debt entitled to an allocation under
10 AS 14.11.100(a)(6); and

11 (2) if the requests meet the requirements of AS 14.11.100.

12 * Sec. 15. AS 14.11 is amended by adding a new section to read:

13 Sec. 14.11.131. OTHER AID. This chapter does not limit the
14 authority of municipalities to acquire or construct schools or associ-
15 ated facilities by

16 (1) cash payment not subject to reimbursement by the state
17 under AS 14.11.100;

18 (2) debt authorized by local voters and falling under a
19 municipal debt limit but not subject to reimbursement by the state
20 under AS 14.11.100;

21 (3) lease-purchase duly authorized, when the lease-purchase
22 contract is with the Alaska State Housing Authority acting as the
23 Alaska State Building Authority;

24 (4) gift, bequest, grant, or deed; or

25 (5) acquisition of federal, state, or other surplus proper-
26 ty.

27 * Sec. 16. AS 37.15 is amended by adding a new section to read:

28 Sec. 37.15.790. MUNICIPAL SCHOOL DEBT. If, at any time, the
29 state bond committee, in its judgment, determines that the amount or

1 retirement of debt issued by municipalities subject to reimbursement
2 by the state under AS 14.11.100 is not in the best interests of the
3 state, the committee may

4 (1) establish an amount or amounts, for any or all years
5 before the maturity of all of that municipal debt, that may not be
6 exceeded by the Department of Education in approving requests for
7 allocations under AS 14.11.103; or

8 (2) establish, under AS 14.11.100(j)(3), a term required
9 for the maturities of municipal debt authorized by local voters after
10 March 31, 1986.

11 * Sec. 17. The Department of Education and the Department of Transpor-
12 tation and Public Facilities shall study and evaluate school construction
13 requirements based upon projected enrollments and facility needs and recom-
14 mend to the legislature by January 25, 1988, a plan of school construction
15 to meet the enrollment demands and its estimated costs through the year
16 2001.

17 * Sec. 18. This Act takes effect July 1, 1986.