

Offered: 5/11/85

Original sponsor: Kerttula

1 IN THE SENATE BY THE CONFERENCE COMMITTEE  
2 CONFERENCE CS FOR SENATE BILL NO. 51  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for school 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 14.11.100(a)(5) is amended to read:

10 (5) subject to (h), [AND] (i), and (j) of this section, 80  
11 [50] percent of

12 (A) payments made by the municipality during the  
13 fiscal year for the retirement of principal and interest on  
14 outstanding bonds, notes or other indebtedness authorized by the  
15 qualified voters of the municipality after June 30, 1983, to pay  
16 costs of school construction, additions to schools, and major  
17 rehabilitation projects that exceed \$25,000 and are approved  
18 under AS 14.07.020(11); and

19 (B) cash payments made after June 30, 1983, by the  
20 municipality during the fiscal year two years earlier to pay  
21 costs of school construction, additions to schools, and major  
22 rehabilitation projects that exceed \$25,000 and are approved  
23 under AS 14.07.020(11).

24 \* Sec. 2. AS 14.11.100(h) is amended to read:

25 (h) An allocation under (a)(4) or (5) of this section for school  
26 construction begun after July 1, 1982, shall be reduced by the amount  
27 of money used for the construction of residential space, hockey rinks,  
28 planetariums, saunas, and other facilities for single purpose sporting  
29 or recreational uses that are not suitable for other activities and by

1 the money used for construction that exceeds the amount needed for  
2 construction of a facility of efficient design as determined by the  
3 department. An allocation under (a)(4) or (5) of this section may not  
4 be reduced by the amount of money used for construction of a small  
5 swimming pool, tank, or water storage facility used for water sports.  
6 However, an allocation shall be reduced by the difference between the  
7 amount of money used to construct a swimming pool that exceeds the  
8 standards adopted by the department [IS COMPETITION SIZE OR LARGER]  
9 and the amount of money that would have been used to construct a small  
10 swimming pool, tank, or water storage facility, as determined by the  
11 commissioner.

12 \* Sec. 3. AS 14.11.100(i) is amended to read:

13 (i) For the purposes of (a)(4) and (5) of this section

14 (1) an indebtedness for bonds is incurred after the bonds  
15 are sold;

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

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

20 \* Sec. 4. AS 14.11.100(j) is amended to read:

21 (j) The state may not allocate money to a municipality for a  
22 school construction project under (a)(5) of this section unless the  
23 municipality complies with the requirements of (1) - (4) of this  
24 subsection and the project is approved by the commissioner before the  
25 local vote on the bond issue for the project. In approving a project  
26 under this subsection, the commissioner shall require

27 (1) the municipality to include on the ballot for the bond  
28 issue the estimated total cost of each project including estimated  
29 annual operation and maintenance costs and the estimated amounts that

1 will be paid by the state and by the municipality;

2 (2) that the bonds may not be refunded unless the annual  
3 debt service on the refunding issue is not greater than the annual  
4 debt service on the original issue;

5 (3) that the bonds must be repaid in approximately equal  
6 annual principal payments or approximate equal debt service payments  
7 over a period of at least 10 years;

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

10 (A) projected long-term student enrollment that indi-  
11 cates the district has inadequate facilities to meet present or  
12 projected enrollment; or

13 (B) facilities that require repair or replacement in  
14 order to meet health and safety laws or regulations or building  
15 codes [; FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL DIS-  
16 TRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS  
17 LISTED IN AS 14.11.010(c)].

18 \* Sec. 5. AS 14.11.100 is amended by adding a new subsection to read:

19 (k) An amount equal to the interest earned on the investment of  
20 the proceeds of bonds issued for a school construction project shall  
21 be used by the municipality to

- 22 (1) pay the costs of the project;
- 23 (2) pay accrued interest on the bond issue;
- 24 (3) redeem all or part of the bonds; or
- 25 (4) pay the costs of issuing the bonds.

26 \* Sec. 6. AS 14.11 is amended by adding a new section to read:

27 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall  
28 evaluate projects for which retirement of school construction debt is  
29 requested by school districts in accordance with the procedures set

1 out in AS 14.11.010. A request for an allocation of funds under  
2 AS 14.11.100 must be submitted to the department by the school dis-  
3 trict no later than October 15 of the fiscal year before the fiscal  
4 year for which the request is made.

5 \* Sec. 7. AS 14.11.135 is amended to read:

6 Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 -  
7 14.11.135], unless the context requires otherwise,

8 (1) "approved school construction project" means the plan  
9 for a new school or an addition to or major rehabilitation of an  
10 existing school to the extent to which approved by the commissioner in  
11 accordance with AS 14.07.020(11);

12 (2) "commissioner" means the commissioner of education;

13 (3) "costs of school construction" means the cost of ac-  
14 quiring, constructing, enlarging, repairing, remodeling, equipping or  
15 furnishing of public elementary and secondary school buildings and  
16 includes the sum total of all costs of financing and carrying out the  
17 project; these include, but are not limited to, the costs of all  
18 necessary studies, surveys, plans and specifications, architectural,  
19 engineering or other special services, acquisition of real property,  
20 site preparation and development, purchase, construction, reconstruc-  
21 tion and improvement of real property and the acquisition of machinery  
22 and equipment as may be necessary in connection with the project; an  
23 allocable portion of the administrative and operating expenses of the  
24 grantee; the cost of financing the project, including interest on  
25 bonds issued to finance the project; and the cost of other items,  
26 including any indemnity and surety bonds and premiums on insurance,  
27 legal fees, fees and expenses of trustees, depositaries, financial  
28 advisors, and paying agents for the bonds issued as the issuer con-  
29 siders necessary;

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

2 \* Sec. 8. AS 14.11 is amended by adding a new section to read:

3 Sec. 14.11.140. REGULATIONS. The department shall adopt regu-  
4 lations to carry out the purposes of this chapter.

5 \* Sec. 9. LEGISLATIVE REVIEW. Proposed permanent regulations under  
6 AS 14.11.140 as enacted in sec. 8 of this Act shall be submitted to the  
7 legislature no later than the 10th day of the Second Session of the Four-  
8 teenth Alaska State Legislature. Notwithstanding AS 44.62, permanent  
9 regulations adopted under AS 14.11.140 take effect the 90th day of the  
10 Second Session of the Fourteenth Alaska State Legislature, unless a law is  
11 enacted disapproving the regulations.

12 \* Sec. 10. (a) The amendments to AS 14.11.100(j) provided for in  
13 sec. 4 of this Act apply only to school construction projects approved by  
14 the commissioner of education after the effective date of this Act.

15 (b) The requirement of AS 14.11.102, added by sec. 6 of this Act,  
16 that requests for an allocation of funds under AS 14.11.100 be submitted by  
17 October 15 of the fiscal year before the fiscal year for which the request  
18 is made, does not apply to requests for fiscal year 1987.

19 \* Sec. 11. This Act takes effect July 1, 1985.