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A M E N D M E N T

TO: CSHB 279 (Finance) am

Page 1, line 6, through page 8, line 11:

Delete all material and insert:

For an Act entitled: "An Act relating to school construction and transferring the administration of school or education-related facility construction from the Department of Transportation and Public Facilities to the Department of Education; and providing for an effective date."

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

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

(11) review plans for construction of [AND] new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction project begun after July 1, 1978; for the purposes of this paragraph, "plans" include [A "PLAN" INCLUDES] educational specifications, schematic designs, and final contract documents;

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

(13) administer the grants awarded under AS 14.07.190.

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

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

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

The assembly or council of a municipality that is a school district or a regional school board may submit a request to the department for a

1 school or education-related facility construction, rehabilitation, ^{preventive maintenance} or
2 improvement project together with a report evaluating the condition of
3 school or education-related facilities in the school district or regional
4 educational attendance area and a determination of the need for the
5 project.

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

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

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

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

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

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

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

24 (2) emergency requirements, including fire and other health or
25 safety related code upgrade needs;

26 (3) number of students without classroom space;

27 (4) new local elementary or secondary programs;

28 (5) existing regional, community, and school facilities and
29 the condition of the facilities;

(6) economic and social stability of the municipality or

1 region.

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

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

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

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

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

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

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

16 (7) recommend to the department projects for construction,
17 rehabilitation, and improvement of schools and education-related facili-
18 ties as specified in AS 14.07.180(a), and plan, design, and construct
19 the project when the responsibility for it is assumed under AS 14.07.-
20 190;

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

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

1 AS 35.15.010. After receipt of the request, the department

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

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

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

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

1 sioner under this subsection are final.

2 * Sec. (7) AS 35.15.090 is amended to read:

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

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

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

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

23 (2) 90 [80] percent of

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

29 (B) cash payments made after June 30, 1976 and before

1 July 1, 1978 by the municipality [BOROUGH OR CITY] during the
2 fiscal year two years earlier to pay costs of school construction;

3 (3) 90 [80] percent of

4 (A) payments made by the municipality [BOROUGH OR CITY]
5 during the fiscal year two years earlier for the retirement of
6 principal and interest on outstanding bonds, notes or other indebt-
7 edness incurred after June 30, 1978 and before January 1, 1982 to
8 pay costs of school construction projects approved under AS 14.07.-
9 020(11);

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

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

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

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

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

27 (h) An allocation under (a)(4) of this section for school construc-
28 tion begun after July 1, 1982, shall be reduced by the amount of money
29 used for the construction of residential space, hockey rinks, planetar-

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

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

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

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

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

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

18 * Sec. 11. This Act takes effect July 1, 1982.



Alaska State Legislature

Senate

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Senator Charlie Parr, Chairman
Senate Health, Education and
Social Services Committee

FROM: Senator Ferguson, Chairman *7/17*
KEAA Budget Oversight Committee

SUBJ: Senate Bill 848

DATE: April 13, 1982

As new high schools are completed within the REAAs, the existing, neglected rural elementary schools are old and not up to code standards. These buildings have a high maintenance cost because of their age and energy inefficiency. Lack of attention to preventative maintenance has resulted in buildings which often demand complete rehabilitation, renovation or replacement.

Senate Bill 348 encourages districts to develop preventative maintenance plans by including "preventative maintenance" among other facility requirements in a school construction program to be recommended to the Commissioner of Education.



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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 848
Title An Act relating to school construction
Requested by Senate HESS Date April 14, 1982

II. FISCAL DETAIL Education

Agency Affected _____
Program Category Affected Elementary and Secondary
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

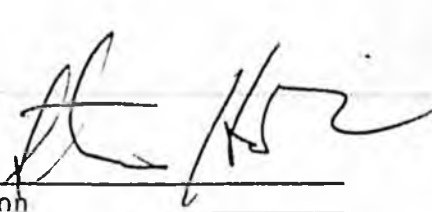
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This bill has no fiscal impact.

IV. DATE April 14, 1982 PREPARED BY Steve Hole 
AGENCY Education
Original: Legislative Finance PHONE 465-2890
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)