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STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

SCRA 3-14-85 3:37pm



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

File SB159

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghil

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

March 19, 1985

To: Steve Hole
Legislative Liaison
Dept of Education

From: Senator Edna DeVries, Chair *Edna*
Community and Regional Affairs

Subj: Requested Information

I wanted to confirm my request for information from the Department of Education; which was made to you during our committee hearing on SB 159 on March 14.

During discussion among committee members on percentage funding for school construction I asked you if you could give me the amount of capital grants made by the state for 100% funding during the last 5 years. You said that you did not have the information with you but that you would get it for me. I would appreciate the information broken down by year and school district.

ya

debt ~~service~~ service is not an efficient
use of State funds

debt ^{reimbursement} ~~retirement~~ G1 & 6's unfettered access
to State funds

What was G1 to be \$13.5 turned
out to be \$40 mil


Restructure way we go about h' sch ~~and~~ construction
all entities should pay something
toward schools

50% was as a disincentive to refinancing

Sturg - Dept Ed 1/36 Dept Rev on bonding
capacity - 50% G.O -

Admin policy on bonding?
Can you analyze

Hole - I cannot answer that - believe OMB
has some info on this

DeVries -  1 yr for grants

Hole - will have to get it

3/14/85

Amend #1 - Coghill moved - adopted
90 to 45 unanimously

Amend #2 - Coghill moved --
discussion

Coghill requested to hold over

Fischer - invite troopers to testify on this and
draw shop law

Coghill moved - unanimous consent

SB 159

Sen. Paul Fischer -

Kanai will float a \$70 Mil bond
issue next year for schools

Steve Hole

Pg 2 line 15 ref to \$25

State Board is opposed to bill

debt ~~service~~ service is not an efficient
use of State funds

debt ^{reimbursement} ~~retirement~~ G1 to be unfettered access
to State funds

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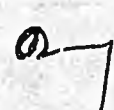
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 Hole - will have to get it

Sturg

No answer yet to Muni. Assistance
vs. revenue sharing

Must know relationship between
sch funding and other

Bruce Demond

Mat-Su d. vs. sch dest in state
46% of new v. r. To SC Ak.

Growth in Valley basically residential
operating only \$1 Mil 1983 | \$11.7 1985

Double shifting
opening 2 elem 1 jr-sr in
next 2 yrs - they will be at
capacity when opened

bonded for \$110 Mil - will ask for \$70 Mil
in Oct '85

Want 80% for districts experiencing high growth

Jean Krauser - NEA Alaska
support bill

Scott Burgess -

On behalf of Muni League - this is
not enough -

League position is 90%

Bob Greene, rep. School Boards

Sch Bds are tenants of Muni's

Re: 159 in 2 problems - language "up to 95%"

approx may not be 75%

2nd - state has no cap on bonding liability
\$105 mil per year

Do not believe there has been a bill introduced
yet that solves problem

Schs will wait longer for money if they can
know exactly how much money
they will get

This bill doesn't provide a way to set
priorities for money that is available.

REAA's only money is federal
impact money

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

While in Juneau

Pouch V
Juneau, Alaska 99811
(907) 465-3791

March 11, 1985

MEMORANDUM

TO: Senator Edna DeVries, Chairman
Community and Regional Affairs Committee

From: Senator Paul Fischer *PF*

Subject: List of possible witnesses at hearing on SB 159 for 3/12/85.

The following individuals have expressed an interest in testifying before your committee at its meeting at 3:30 PM tomorrow:

Robert C. Greene, Association of Alaska School Boards

Scott Burgess, Alaska Municipal League

Robert Cooksey, NEA-Alaska

I should also appreciate an opportunity to speak in behalf of the bill.

COMMITTEE REPORT
SENATE

FURTHER: HESS
FINANCE

2/14/85

Date March 14, 1985

Mr. President

The Committee on C&RA considered SB 159
state aid for school construction.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

Chairman

Chairman recommendation

A RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS
84-10

A RESOLUTION REQUESTING THAT THE LEGISLATURE AND
GOVERNOR RESUME STATE AID TO LOCAL GOVERNMENTS
FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
AT THE 90% LEVEL

WHEREAS, the State of Alaska has the responsibility to fund education; and

WHEREAS, the funding of structures in which this education occurs is inherent to this responsibility; and

WHEREAS, public acceptance to construct and/or rehabilitate education facilities requires the process of bond approval by the citizens of the community; and

WHEREAS, past experience of public approval for school construction and rehabilitation, prior to state reimbursement at a 90% level to local municipalities, has been poor; and

WHEREAS, there is a significant population increase projected for the State of Alaska; and

WHEREAS, student "double shifting" has proven not to be in the best interest of our children's education;

NOW, THEREFORE, BE IT RESOLVED by the Mayors' Conference that the State Legislature and Governor resume funding school construction debt retirement at the 90% level.

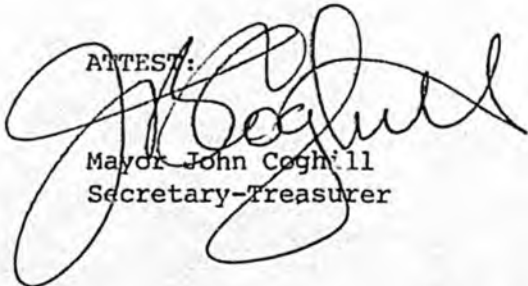
ADOPTED this 16th day of November, 1984.

ALASKA CONFERENCE OF MAYORS



Mayor Jon Halliwill
President

ATTEST:



Mayor John Coghill
Secretary-Treasurer



Matanuska-Susitna Borough

BOX B. PALMER, ALASKA 99645 • PHONE 745-4801

BOROUGH MANAGER

March 8, 1985

Senator Edna DeVries
Pouch V
Juneau, AK 99811

Re: School Foundation Bill; School Construction financing

Dear Edna:

Attached are some materials on the school foundation bill and school construction finance.

One of the most clear statements of the elements of a foundation program is the 1961 report to the State of Alaska called "A Foundation for Public Schools". This was a Ford Foundation funded study conducted by a group of nationally recognized experts on school finance. The 1962 State Legislature followed their recommendations when they acted Alaska's first School Foundation Act. This was a very good act and worked well for some years until it was changed beyond recognition through almost annual ill-advised amendments.

There should be several of us, including Mayor Jones, coming to Juneau on March 14, 1985 for House HESS Committee on Representative Larson's bill to increase funding for unhoused students from 50% to 80% and similar bills (HB 191, 220, 254 and 257).

Sincerely,

A handwritten signature in cursive script that reads "Gary Thurlow".

Gary Thurlow
Borough Manager

GT/jmg



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

March 7, 1985

The Honorable Edna DeVries
Pouch V
Juneau, AK 99811

Dear Senator DeVries:

We in the Kenai Peninsula Borough, by resolution of the borough assembly, strongly support 90% funding for new school construction. We feel that in light of the constitutional requirements this should be done. Furthermore, in our area, as well as the Mat-Su area, we've had such a tremendous increase in growth and such a demand for new school facilities that it puts a strong strain on our local citizenry. As you are probably aware, our area population has increased by over 54% in the last four years. The State does receive the oil revenues - the borough does not receive them. We feel this is a very necessary position for the State to take to fund our local schools, at least to the 90% level.

The 90% funding of our schools is our first priority of all of our capital improvements. Please consider it.

Thank you,

Stan Thompson
Kenai Peninsula Borough Mayor

ST:lc

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

COPY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

March 7, 1985

SUBJECT: Sectional analysis of SB 159
TO: Senator Paul Fischer
FROM: Keith B. Levy ^{KBL}
Legislative Counsel

You have requested a sectional analysis of SB 159. This bill increases the percentage of municipal school construction debt retired by the state from 50 percent to 75 percent (AS 14.11.100(a)(5)). It applies to cash payments and indebtedness authorized by the voters of a municipality after June 30, 1983.

KBL:ojb
J12/065

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

while in Juneau

Pouch V
Juneau, Alaska 99811
(907) 465-3791

STAFF ANALYSIS: Senate Bill 159 (An Act relating to state aid for school construction)

PURPOSE: Increase percentage of state reimbursement for school construction financed through bonds from 50% to 75%.

RATIONALE: The state legislature is required to "maintain a system of public schools" by Article VII of the Alaska Constitution. This provision of our Constitution has been held by the state supreme court to be unqualified. No other unit of government shares responsibility or authority. *Macauley v. Hildebrand*, Sup. Ct. Op. No. 741 (File No. 1550), 491 P.2d 120 (1971). Funding school construction costs at 100% in some areas of the state while funding other area needs at a lower level fails to meet this constitutional requirement. Passage of SB 159 will reduce the degree of inequitable treatment.

EFFECT OF THE BILL: 1. Increase from 50% to 75% the amount of possible state reimbursement for municipal debt for school construction, additions to schools and major rehabilitation projects which exceed \$25,000 previously approved by the state department of education and voters after June 30, 1983.

2. Likewise increase the state share of cash payments, after a two year time lag, made by municipalities for state approved school construction from half to three quarters of the total over \$25,000.

HISTORY: Several years ago, the legislature developed a state aid for school construction program to reduce the inequities between REAA districts where the state paid 100% and municipal school districts where local taxpayers were paying the entire cost. The original program provided for a 50% reimbursement on a two year time delay. The amount was later changed to 80%. Later the percentage of reimbursement for debt issued before July 1, 1977 was increased to 100%. The last legislature raised the percentage of reimbursement from 80% to 90% for debt issued from July 1, 1978 through June 30, 1983. The same legislature reduced the percentage for debt and payment to 50% for obligations incurred after June 30, 1983. Presently state may pay 100% on pre 7/1/77 debts, 90% on pre 7/1/83 debts and only 50% on newer debt.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB-159
 Title: ... STATE AID FOR SCHOOL CONSTRUCTION ...
 Sponsor: Fischer
 Requestor: Senate C & R A
 Date of Request: 3/11/85

FISCAL DETAIL

Agency Affected: EDUCATION
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Debt Retirement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		1,370.9	1,456.7	1,534.8	1,583.8	572.0
800 MISCELLANEOUS						
TOTAL OPERATING		1,370.9	1,456.7	1,534.8	1,583.8	572.0

CAPITAL						
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REVENUE						
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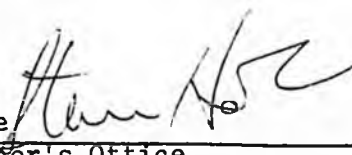
FUNDING: (Thousands of Dollars)

GENERAL FUND		1,370.9	1,456.7	1,534.8	1,583.8	572.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Steve Hole  Phone: 2800
 Division: Commissioner's Office Date: 3-12-85

Approved by Commissioner: Harold Reynolds, Jr. Date: 3-12-85
 Agency: Education

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

MEMORANDUM


State of Alaska

TO: Steve Hoie, Special Assistant
Commissioner's Office

DATE: March 11, 1985

FILE NO

TELEPHONE NO

FROM: 
Robert Davis, Deputy Director
Management, Law and Finance

SUBJECT

HB
#257 Local Effort
Participation Program -
Printout

Attached is a printout related to the provisions of sub-section (a). The available data on evaluation is from the State assessor's 1984 data, and the tax appropriations are from FY 1984 school district audits. There appears to be no appropriate way to forecast this data into FY-86 or beyond.

The sub-section (c) provisions related to 50 percent debt retirement are given below; the numbers are half (50%) of the unreimbursed 50% portion of school debt retirement per the provisions of sub-section (a).

District Date Sold Term	Impact FY 86	Impact FY 87	Impact FY 88	Impact FY 89	Impact FY 90
FAIRBANKS 05/01/84 to 05/01/89 Series 0	472,025	512,900	557,900	595,395	
KENAI 04/01/84' to 10/01/94	346,674	368,755	384,245	395,625	424,370
KODIAK 05/03/84 to 07/01/89	547,250	568,789	586,423	586,523	140,163
WRANGELL 12/01/83 to 02/01/2003	5,000	6,250	6,250	6,250	7,500
TOTALS	1,370,949	1,456,694	1,534,818	1,583,773	572,033

Attachment

Introduced: 2/14/85
Referred: Community & Regional Affairs,
Health, Education & Social Services,
and Finance

1 IN THE SENATE

BY P.FISCHER

2 SENATE BILL NO. 159

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."

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

9 * Section 1. AS 14.11.100(a) is amended to read:

10 (a) During each fiscal year, the state shall allocate to a
11 municipality that is a school district, the following sums:

12 (1) payments made by the municipality during the fiscal
13 year two years earlier for the retirement of principal and interest on
14 outstanding bonds, notes or other indebtedness incurred before July 1,
15 1977 to pay costs of school construction;

16 (2) 90 percent of

17 (A) payments made by the municipality during the
18 fiscal year two years earlier for the retirement of principal and
19 interest on outstanding bonds, notes or other indebtedness in-
20 curred after June 30, 1977 and before July 1, 1978 to pay costs
21 of school construction;

22 (B) cash payments made after June 30, 1976 and before
23 July 1, 1978 by the municipality during the fiscal year two years
24 earlier to pay costs of school construction;

25 (3) 90 percent of

26 (A) payments made by the municipality during the
27 fiscal year two years earlier for the retirement of principal and
28 interest on outstanding bonds, notes or other indebtedness in-
29 curred after June 30, 1978 and before January 1, 1982 to pay

1 costs of school construction projects approved under AS 14.07.-
2 020(11);

3 (B) cash payments made after June 30, 1978 and before
4 July 1, 1982 by the municipality during the fiscal year two years
5 earlier to pay costs of school construction projects approved
6 under AS 14.07.020(11);

7 (4) subject to (h) and (i) of this section up to 90 percent
8 of

9 (A) payments made by the municipality during the
10 current fiscal year for the retirement of principal and interest
11 on outstanding bonds, notes or other indebtedness incurred after
12 December 31, 1981, and authorized by the qualified voters of the
13 municipality before July 1, 1983, to pay costs of school con-
14 struction, additions to schools, and major rehabilitation pro-
15 jects that exceed \$25,000 and are approved under
16 AS 14.07.020(11); and

17 (B) cash payments made after June 30, 1982, and before
18 July 1, 1983, by the municipality during the fiscal year two
19 years earlier to pay costs of school construction, additions to
20 schools, and major rehabilitation projects that exceed \$25,000
21 and are approved under AS 14.07.020(11); and

22 (C) payments made by the municipality during the
23 current fiscal year for the retirement of principal and interest
24 on outstanding bonds, notes, or other indebtedness to pay costs
25 of school construction, additions to schools, and major rehabili-
26 tation projects that exceed \$25,000 and are submitted to the
27 Department of Education for approval under AS 14.07.020(11)
28 before July 1, 1983, and approved by the qualified voters of the
29 municipality before October 15, 1983, not to exceed a total

1 project cost of (i) \$6,600,000 if the annual growth rate of
2 average daily membership of the municipality is more than 7
3 percent but less than 12 percent, or (ii) \$20,000,000 if the
4 annual a growth rate of average daily membership of the munic-
5 ipality is 12 percent or more; payments made by a municipality
6 under this paragraph on total project costs that exceed the
7 amounts set out in (i) and (ii) of this paragraph are subject to
8 (a)(5)(A) of this section.

9 (5) subject to (h) and (i) of this section, 75 [50] percent
10 of

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

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