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Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 51

Sponsor: Kerttula

Date referred to committee: 1/19/85

Synopsis completed: 1/21

Fiscal note:

Further referrals: Finance

CONTACTS:

- ✓ Joyce Kerttula 3771
Sigauombardi
- ✓ Bonnie Rappaport, FNSB 452-4761
ext 386, 382
- ✓ Linda Anderson 586-1977
Mike Amyan, Pbx Sch District 452-4461
- ✓ Margo Waring, AMB 3568
- ✓ Steve Holer, DOE 2800
- ✓ Kim (+ Tuckerman) Babcock - Devries - 4989
- ✓ Melissa (Stugulewski) - 3810
- ✓ Bob Sheene, Sch Bd 586-1083
- ✓ Dan McKinnon 6-9702
- ✓ ~~Debra~~ Debra Neidermeyer (Koponen) 3759
Jerguson
- ✓ Keith Levy, Legal 2450
- Wanda (Ron Larsson) 3727
- Milt Barker 2350
- Mitch Shaw 276-0358
Matsui

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 4-23 85

Mr. President

The Committee on HESS considered SB 51
state aid for school construction; efd.

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 SB 51 (HESS)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

Joe Josephson

Paul Fick

MEMBERS HAVING

OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

TO: BETTYE
FROM: SANDRA

MARCH 21, 1985

SB 51

SCHOOL CONSTRUCTION (SB 51 AND SB 159)

SEVERAL BILLS HAVE BEEN INTRODUCED (SEE ATTACHED OUTLINE). PROPOSALS INCLUDE INCREASING THE REIMBURSEMENT LEVEL FROM 50% TO 75% OR 80% OR 90%. SB 51 (KERTTULA) WOULD HAVE MONIES GO FIRST TO DISTRICTS THAT HAVE HAD A LARGE INCREASE IN STUDENTS AND HB 254 (LARSON) WOULD HAVE MONIES GO TO DISTRICTS THAT ARE DOUBLE SHIFTING STUDENTS AND THAT CONTRIBUTE AT LEAST 3 MILLS LOCALLY -- BOTH ARE TARGETED AT MAT-SU. IN ADDITION, THE STATE BOARD HAS ENDORSED A DRAFT THAT WOULD ESTABLISH A 90% GRANT PROGRAM, WITH ELIGIBILITY BASED ON SPECIFIC FACTORS (EMERGENCY REQUIREMENTS, NUMBER OF STUDENTS WITHOUT CLASSROOM SPACE, NEW PROGRAMS, CONDITION OF EXISTING FACILITIES, ECONOMIC STABILITY OF MUNICIPALITY). STATE GRANT MONIES COULD NOT BE SPENT ON HOCKEY RINKS, SAUNAS, PLANETARIUMS AND THE LIKE.

QUESTIONS:

1. WHAT IS FISCAL IMPACT OF EACH PROPOSAL? (Greater ~~the greater~~ the level of reimbursement, but we need a good explanation from the Department of how their figures were derived.)
2. WHAT DOES OUR CURRENT REIMBURSEMENT PROGRAM COST ANNUALLY? (Approximately \$106 million this year, up from \$95 million last year.)
3. PER SB 51, WHICH COMMUNITIES QUALIFY FOR PRIORITY FUNDING FOR HAVING A GROWTH RATE IN EXCESS OF 5%? (According to DOE, Dillingham, Hydaburg, Kake, Kenai, Mat-Su, Nenana, Nome, Pelican. Fairbanks has had a 4.2% growth rate.)
4. HOW DO ACTUAL ENROLLMENT FIGURES COMPARE TO A.D.M.s? (Figures supplied by DOE show that enrollment is generally higher than official Average Daily Membership. WHY IS THIS? WHICH IS A BETTER REPRESENTATION OF CONSTRUCTION NEEDS?)
5. SHOULD WE ESTABLISH CRITERIA FOR GRANTING/REIMBURSING MONEY?
NOTE: F.N.S.B. supports a criteria-based proposal.
6. ARE THERE PROBLEMS WITH THE 50% REIMBURSEMENT LEVEL OTHER THAN A POLICY OF STATE VS. LOCAL FUNDING? (Is difficult to sell bonds when the reimbursement level is this low. But level was lowered from 90% to 50% because of abuse of funds and the thought that if the local contribution were greater monies would be spent more responsibly.)

STATE OF ALASKA-DEPARTMENT OF EDUCATION
 AVERAGE DAILY MEMBERSHIP (FINAL)
 FISCAL YEARS 1979-1984
 REGULAR MEMBERSHIP TOTALS

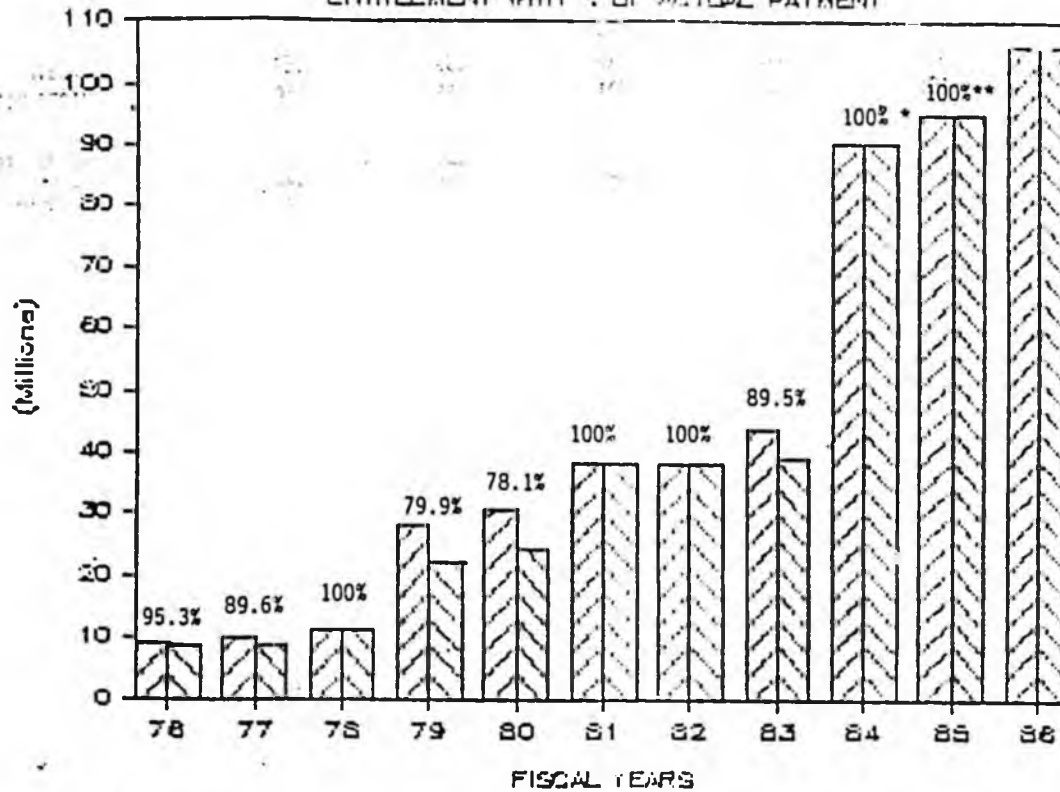
Fiscal Note SB 51
 03/15/85 (Steve Hole/Robert Davis)

SCHOOL DISTRICT	AVERAGE DAILY MEMBERSHIP FY1979	AVERAGE DAILY MEMBERSHIP FY1980	AVERAGE DAILY MEMBERSHIP FY1981	AVERAGE DAILY MEMBERSHIP FY1982	AVERAGE DAILY MEMBERSHIP FY1983	AVERAGE DAILY MEMBERSHIP FY1984	PERCENTAGE (+ or -) FY84 TO FY83
ADAK	542	569	577	594	593	592	99.8314%
ALASKA GATEWAY	439	436	471	478	473	472	99.7886%
ALEUTIAN REGION	244	118	109	114	121	123	101.6529%
ANCHORAGE	34,200	32,429	32,121	33,307	34,602	35,632	102.9767%
ANNETTE ISLAND	342	336	352	351	341	377	110.5572%
BERING STRAIT	451	441	450	583	928	1,009	108.7284%
BRISTOL BAY	215	209	214	208	212	201	94.8113%
CHATHAM	187	218	195	207	261	293	112.2605%
CHUGACH	54	54	53	75	85	88	103.5294%
COPPER RIVER	639	612	586	555	566	572	101.0601%
CORDOVA	490	462	439	413	430	395	91.8605%
CRAIG	168	141	178	171	146	137	93.8356%
DELTA GREELY	852	857	842	887	940	980	104.2553%
DILLINGHAM	397	379	377	372	375	411	109.6000%
FAIRBANKS	8,761	8,338	8,457	8,851	9,375	9,790	104.4267%
GALENA	158	165	143	135	142	146	102.8169%
HAINES	401	396	401	371	380	366	96.3158%
HOONAH	248	224	18	225	237	228	96.2025%
HYDABURG	99	85	84	88	93	100	107.5269%
IDITAROD	291	300	310	313	321	311	96.8847%
JUNEAU	4,185	4,015	3,921	3,979	4,332	4,360	100.6464%
KAKE	199	195	182	188	191	204	106.8063%
KENAI	5,615	5,784	5,988	6,289	6,744	7,225	107.1323%
KETCHIKAN	2,432	2,432	2,378	2,331	2,364	2,401	101.5651%
KING COVE	118	120	114	132	103	97	94.1748%
KLANOCK	79	82	103	97	139	135	97.1223%
KODIAK	2,071	2,090	2,027	2,026	2,128	2,116	99.4361%
KUSPUK	319	347	351	330	327	337	103.0581%
LAKE & PENINSULA	376	362	328	325	348	361	103.7356%
LOWER KUSKOKWIM	1,592	1,671	1,785	1,856	2,411	2,472	102.5301%
LOWER YUKON	891	1,017	1,134	1,190	1,384	1,362	98.4104%
MAT-SU	4,175	4,356	4,406	4,835	5,672	6,903	121.7031%
NENANA	209	216	198	202	125	115	92.0000%
NOME	754	716	708	690	731	781	106.8399%
NORTH SLOPE	1,076	1,038	1,043	1,041	1,028	1,043	101.4591%
NORTHWEST ARCTIC	1,473	1,435	1,420	1,478	1,486	1,491	100.3365%
PELICAN	37	39	40	51	48	54	112.5000%
PETERSBURG	553	547	562	556	572	591	103.3217%
PRIIBILOF	169	159	164	172	167	166	99.4012%
RAILBELT	361	337	328	335	325	308	94.7692%
SAND POINT	0	129	109	106	124	107	86.2903%
SITKA	1,683	1,671	1,656	1,634	1,583	1,582	99.9368%
SKAGWAY	199	176	177	190	169	152	89.9408%
SOUTHEAST ISLAND	389	374	413	420	430	432	100.4651%
SOUTHWEST REGION	475	496	449	484	521	513	98.4645%
ST. MARY'S	100	94	91	90	107	109	101.8692%
TANANA	0	0	0	0	97	75	77.3196%
UNALASKA	140	160	195	177	171	144	84.2105%
VALDEZ	793	746	849	830	842	811	96.3183%
WRANGELL	455	479	485	485	480	453	94.3759%
YAKUTAT	159	156	144	152	155	158	101.9355%
YUKON FLATS	332	336	285	314	312	316	101.2921%
YUKON-KOYUKUK	624	591	589	567	557	577	103.5907%

TOTALS 81,211 79,135 79,179 81,850 86,794 90,174

DEBT RETIREMENT FY-76 THRU FY-86

ENTITLEMENT WITH % OF ACTUAL PAYMENT



Expenditures:

~~Entitlements~~: (Millions)

FY-76	\$	8.81
FY-77		9.05
FY-78		11.41
FY-79		22.27
FY-80		24.08
FY-81		38.38
FY-82		38.26
FY-83		39.18
FY-84		90.60 *
FY-85		95.00 **
FY-86		106.50 ***

* FY-84 figure includes encumbered funds.

** FY-85 figure is amount appropriated.

*** FY-86 figure is budget request.

State of Alaska
 Enrollment Compared to Average Daily Membership
 By District, Revised FY84

<u>District</u>	<u>Enrollment</u>	<u>ADM</u>
Adak Region	603	606.5
Alaska Gateway	487	486.2
Aleutian Region	126	123.9
Anchorage	37,422	35,851.8
Annette Island	385	382.7
Bering Strait	1,024	971.6
Bristol Bay	210	203.0
Chatham	295	280.1
Chugach	98	94.9
Copper River	585	575.1
Cordova	401	406.4
Craig	149	155.0
Delta/Greely	983	974.8
Dillingham	420	410.6
Fairbanks	10,404	9,907.7
Galena	145	142.9
Haines	370	366.4
Hoonah	226	228.7
Hydaburg	105	102.3
Iditarod	321	316.5
Juneau	4,589	4,429.3
Kenai	207	205.4
Kenai	7,572	7,221.8
Ketchikan	2,524	2,415.0
King Cove	97	101.5
Klawock	141	135.4
Kodiak Island	2,229	2,142.5
Kuspuk	337	327.4
Lake & Peninsula	354	371.4
Lower Kuskokwim	2,486	2,487.2
Lower Yukon	1,379	1,383.5
Mat-Su	7,172	6,854.2
Nenana	115	121.4
Nome	795	757.1
North Slope	1,071	1,073.7
Northwest Arctic	1,531	1,515.0
Pelican	54	54.7
Petersburg	628	600.3
Pribilof	165	165.5
Railbelt	318	316.6
St. Mary's	114	112.8
Sand Point	110	109.7
Sitka	1,674	1,590.3
Skagway	151	153.7
Southeast Island	449	448.9
Southwest Region	520	519.7
Tanana	83	81.1
Unalaska	150	151.6
Valdez	829	839.9
Wrangell	482	462.9
Yakutat	164	162.1
Yukon Flats	335	323.7
Yukon/Koyukuk	587	583.0
Central Correspondence	710	895.0

1982-83 FINAL ENROLLMENT ALASKA CITY DISTRICTS

DISTRICT	PRE- ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ANCHORAGE	115	2622	2857	2495	2645	2645	2707	2972	3309	3044	2703	2660	2467	2405	19058	16588	35646
On-Base	139	418	490	430	399	384	309	348	0	0	0	0	0	0	2917	0	2917
Contract	20	3	2	3	6	3	18	13	17	16	34	43	51	29	68	190	258
BRISTOL BAY	0	17	16	14	24	1	15	21	19	15	21	19	8	23	118	105	223
CORDOVA	0	44	28	25	33	30	43	27	47	38	31	37	28	32	230	213	443
CRAIG	0	14	12	12	8	5	12	22	11	14	14	8	8	11	85	66	151
DILLINGHAM	5	39	37	33	39	24	24	23	29	28	30	28	35	43	224	193	417
FAIRBANKS	116	779	834	725	750	678	740	817	875	839	713	724	622	530	5459	4291	9750
On-Base	26	294	293	310	276	232	221	209	124	111	76	71	68	55	2096	270	2366
GALENA	0	12	13	10	17	12	12	12	9	6	6	13	14	13	88	61	149
HAINES	3	27	28	19	24	26	41	27	32	37	26	31	28	31	195	185	380
HONNAN	8	20	16	19	13	17	16	16	17	19	14	22	22	17	142	94	236
HYDABURG	0	10	8	7	8	8	9	6	8	8	3	10	4	4	56	37	93
JUNEAU	132	370	392	354	335	319	338	352	377	358	332	299	283	324	2598	1967	4565
KAKE	0	17	24	9	12	19	8	16	14	16	16	16	18	16	105	96	201
KENAI	56	592	587	541	546	553	558	599	576	567	511	515	430	410	4168	2873	7041
KETCHIKAN	17	191	206	174	166	188	185	200	190	211	209	208	187	186	1346	1175	2521
KING COVE	0	16	5	9	4	5	12	4	12	8	9	3	6	3	55	41	96
KLAWOCK	0	12	13	8	3	11	10	15	12	16	9	7	9	11	72	63	135
KODIAK	6	189	185	185	152	170	158	180	167	147	169	160	134	108	1262	848	2110
MAT-SU	20	475	545	491	465	494	527	522	531	462	436	406	333	283	3578	2412	5990
NEENANA	1	11	14	12	15	12	6	12	6	7	10	6	6	9	83	44	127
NOME	10	60	56	63	58	72	58	64	53	65	61	54	49	34	446	311	757
NORTH SLOPE	21	91	82	74	73	68	75	82	79	60	67	85	55	58	566	404	970
PELICAN	0	5	6	4	9	5	4	3	6	2	1	0	1	1	36	11	47
PETERSBURG	0	55	61	44	48	35	50	57	40	42	48	46	41	35	432	170	602
ST. MARY'S	3	6	10	10	13	11	8	10	14	7	4	4	2	5	71	36	107
SAND POINT	0	13	15	6	12	4	7	5	5	6	14	6	9	6	62	46	108
SITKA	21	138	183	122	107	129	108	131	122	133	124	131	95	91	1194	441	1635
SKAGWAY	2	11	13	8	14	10	13	15	18	13	16	12	10	7	86	76	162
TANANA	0	10	8	6	4	5	5	10	5	6	2	13	8	11	48	45	93
UNALASKA	0	15	14	14	8	11	15	17	13	6	11	13	5	15	94	63	157
VALDEZ	1	68	53	58	52	59	58	69	76	61	38	57	53	120	418	405	823
WRANGELL	0	33	47	38	36	41	44	44	39	28	39	34	33	37	283	210	493
YAKUTAT	0	9	11	12	16	11	8	24	8	10	10	13	10	8	91	59	150
Totals	722	6689	7164	6344	6390	6307	6422	6944	6860	6406	5807	5754	5132	4978	47,830	34,089	81,919
Centralized Correspondence	0	22	17	26	24	27	22	42	42	48	68	35	21	8	270	132	402

1982-83 FINAL ENROLLMENT
REGIONAL EDUCATION ATTENDANCE AREAS

DISTRICT	PRE-ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ADAK	5	70	53	50	46	62	55	62	38	35	49	23	21	23	403	189	592
ALASKA GATEWAY	0	32	53	36	28	41	28	44	45	35	38	35	29	39	283	200	483
ALEUTIAN	0	9	7	14	9	7	4	13	13	5	18	10	8	5	68	54	122
ANNETTE	0	31	25	35	19	25	26	30	29	20	32	23	25	26	192	154	346
BERING STRAIT	11	83	87	55	80	62	83	59	70	65	74	68	63	65	521	404	925
CHATHAM	0	25	18	23	17	27	23	22	19	15	21	14	12	14	159	91	250
CHUGACH	0	12	10	4	10	5	9	14	10	8	6	3	2	0	78	15	93
COPPER RIVER	0	46	41	23	41	35	57	57	54	41	65	49	46	39	323	271	594
DELTA/GREELY	22	82	80	77	68	59	67	66	91	43	68	41	49	28	521	320	841
IDITAROD	7	24	27	27	26	36	23	15	23	23	27	21	26	19	179	139	318
KUSPUK	1	28	29	31	22	22	13	19	25	28	32	31	26	17	180	146	326
LAKE & PENINSULA	0	34	34	30	26	22	29	24	21	22	26	35	30	34	225	142	367
LOWER KUSKOKWIM	42	151	161	158	161	154	158	169	159	150	206	231	255	226	1259	1122	2381
LOWER YUKON	4	108	116	90	110	117	61	103	108	122	113	104	104	87	780	587	1367
NORTHWEST ARCTIC	0	121	130	129	104	109	120	103	109	84	120	103	142	111	822	663	1485
PRIBILOF	0	19	15	15	7	15	11	16	18	11	11	11	14	0	98	65	163
RAILBELT	0	21	21	21	24	28	24	29	23	19	28	31	24	37	169	161	330
SOUTHEAST	0	59	43	57	44	46	44	46	24	26	23	19	27	16	368	106	474
SOUTHWEST	0	40	46	32	30	41	32	38	42	38	34	43	51	50	276	241	517
YUKON FLATS	0	30	37	28	31	24	16	21	19	20	21	23	19	23	203	109	312
YUKON KOYUKUK	2	47	61	47	39	51	36	45	42	46	34	46	24	43	368	195	563
Totals	94	1072	1094	982	942	982	939	995	982	856	1046	964	997	904	7475	5374	12,849

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

CITY/BOROUGH	ENROLLMENT	ADA	ADM
ANCHORAGE	37,508	35,608.24	37,298.90
BRISTOL BAY	215	200.06	210.45
CORDOVA	407	389.10	414.29
CRAIG	198	152.75*	173.35
DILLINGHAM	380	346.27*	372.18
FAIRBANKS	11,449	10,444.73*	11,277.01
GALENA	140	124.79	131.88
HAINES	378	368.24	388.10
HOONAH	226	214.08	227.64
HYDABURG	92	85.05	88.91
JUNEAU	4,267	4,010.45*	4,273.64
KAKE	211	178.84	193.42
KENAI	6,528	6,047.69*	6,419.41
KETCHIKAN	2,455	2,208.53*	2,351.48
KING COVE	137	105.99	135.22
KLAWOCK	95	90.50	94.91
KODIAK	2,144	1,985.18*	2,130.59
MATANUSKA-SUSITNA	5,055	4,480.12	4,811.05
NENANA	198	194.18	214.52
NOME	716	685.71	728.45
NORTH SLOPE	1,053	932.66*	1,060.77
PELICAN	48	42.70	47.37
PETERSBURG	589	556.39	585.12
SAND POINT	118	124.45	141.55
SITKA	1,742	1,688.12	1,765.09
SKAGWAY	191	179.48	189.28
SAINT MARY'S	113	96.64	104.82
UNALASKA	187	182.14	190.97
VALDEZ	849	814.63	847.61
WRANGELL	508	465.87	490.21
YAKUTAT	154	136.43	154.20
CITY TOTALS	78,351	73,140.01	77,512.39
CENTRALIZED CORRESPOND.	688	**N/A	721.13
GRAND TOTAL (CITIES)	79,039	73,140.01	78,233.52

* Does not include ADA for correspondence students

** Not Available

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

14672

REAA'S	ENROLLMENT	ADA	ADM
ADAK	609	599.39*	611.48
ALASKA GATEWAY	492	419.77	473.52
ALEUTIAN ISLANDS	118	104.36	111.79
ANNETTE REGION	353	324.53	347.66
BERING STRAIT	609	527.90*	582.36
CHATHAM	220	194.82*	211.81
CHUGACH	75	61.57	68.02
COPPER RIVER	577	472.69*	568.88
DELTA/GREELY	914	807.44*	915.28
IDITAROD	319	279.17*	311.56
KUSPUK	333	299.04	326.92
LAKE AND PENINSULA	329	283.39	318.79
LOWER KUSKOKWIM	1,889	1,749.62	1,866.91
LOWER YUKON	1,193	1,127.17	1,187.68
NORTHWEST ARCTIC	1,530	1,373.39*	1,499.31
PRIBILOFS	175	165.77*	174.18
RAILBELT	351	320.40*	352.99
SOUTHEAST ISLAND	337	318.10	336.28
SOUTHWEST REGION	490	446.12	478.32
YUKON FLATS	316	268.77*	300.36
YUKON/KOYUKUK	590	461.49*	570.60
TOTAL REAA'S	11,819	10,604.90	11,614.70
TOTAL CITIES (Including correspondence)	79,039	73,140.01	78,233.52
GRAND TOTAL	90,858	83,744.91	89,848.22

Anchorage

ASD MEMORANDUM #1 (85-86) APPROVED AS AMENDED: July 15, 1985

BOND ITEMS

1. Chugiak High Addition	05-86-100	\$ 6,134,000
2. Sand Lake Elementary Addition	05-86-101	1,450,000
3. Huffman Elementary Addition	05-86-102	1,100,000
4. Site Acquisition (Phase II)	05-86-103	12,000,000
5. Heating Systems Renovations	05-86-104	8,000,000 ✓
6. Roofs Replacements	05-86-105	6,000,000 ✓
7. Northwood Elementary Addition	05-86-106	5,500,000
8. Elementary and Secondary Schools Renovation/Life Safety (Phase I)	05-86-107	9,816,000

SUBTOTAL--BOND ISSUE A: \$ 50,000,000

9. Chugiak High Attendance Area - New Elementary School	05-86-108	\$ 12,000,000
10. Planning/Design New Junior High School(s)	05-86-109	1,500,000
11. Energy Management (Phase III)	05-86-110	3,500,000 ✓
12. Bayshore Elementary Addition	05-86-111	4,000,000
13. Campbell Elementary Addition	05-86-112	5,500,000
14. Elementary and Secondary Schools Renovation/Life Safety (Phase II)	05-86-113	7,500,000 ✓
15. SAVE II/SEARCH Facility (New)	05-86-114	6,000,000
16. Student Nutrition Center	05-86-115	7,500,000
17. Birchwood Elementary Addition	05-86-116	2,500,000

SUBTOTAL--BOND ISSUE B \$ 50,000,000

TOTAL BOND ISSUE (A & B) \$100,000,000

completed project

~~unfinished projects~~
~~leg funded~~
~~Gov veto~~

political reality
precisely why regs. coming to leg.

need input from people w/ expertise
- change orders

prepared by DOE 5-10-85

DEBT RETIREMENT
FY86 50% REIMBURSEMENT

SCHOOL DISTRICT	FY86 PAYMENT BY MUNICIPALITY	REIMB. AT 50%	REIMB. AT 60%	REIMB. AT 75%	REIMB. AT 80%	REIMB. AT 90%
WRANGELL 1983 SERIES C	\$118,592.50	\$59,296.25	\$71,155.50	\$88,944.38	\$94,874.00	\$106,733.25
WRANGELL 1984 POOL/GYM COMPLEX	\$870,282.50	\$435,141.25	\$522,169.50	\$652,711.88	\$696,226.00	\$783,254.25
KENAI 1984 SCHOOL BONDS	\$693,279.40	\$346,639.70	\$415,967.64	\$519,959.55	\$554,623.52	\$623,951.46
MAT-SU 1985 (EST.)	\$2,200,000.00	\$1,100,000.00	\$1,320,000.00	\$1,650,000.00	\$1,760,000.00	\$1,980,000.00
TOTALS	\$3,882,154.40	\$1,941,077.20	\$2,329,292.64	\$2,911,615.80	\$3,105,723.52	\$3,493,538.96
FY86 IMPACT			\$388,215.44	\$970,538.60	\$1,164,646.32	\$1,552,861.76

Original sponsor: Kerttula

final

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.

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

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

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

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

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

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

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

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

will be paid by the state and by the municipality;

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

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

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

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment; or

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

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

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

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

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

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

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

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

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

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

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

(3) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositories, financial advisors, and paying agents for the bonds issued as the issuer considers 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. 5 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.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3534
(907) 465-3235

Senate Committee on Health, Education and Social Services

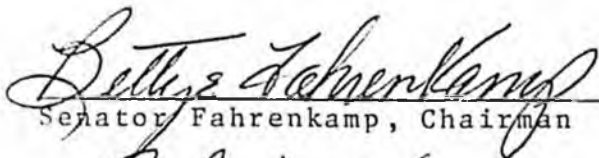
May 11, 1985

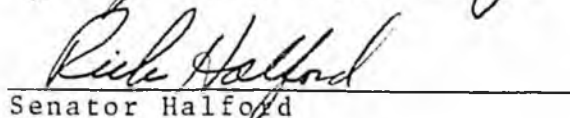
Dear Mr. President and Mr. Speaker:

The Conference Committee considering Committee Substitute for Senate Bill No. 51 (Fin) and House Committee Substitute for Committee Substitute for Senate Bill No. 51 (Fin) (state aid for school construction; efd) respectfully requests limited powers of free conference on the following specific point:

page 3, line 12, delete

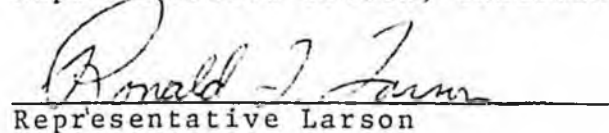
"or program needs"


Senator Fahrenkamp, Chairman


Senator Halford


Senator Kerstula


Representative Cotten, Chairman


Representative Larson


Representative Rieger

The Associated Press

Melting snow in mountains near Valdez has uncovered an Air Force RC-135 trainer aircraft that crashed more than two months ago with three aboard, the Air Force said Wednesday.

An Air Force pilot spotted what appeared to be the plane's wing during a routine mission over the area on Monday, said Staff Sgt. Lauren Sobkoviak, Air Force spokesman at Elmendorf Air Force Base in Anchorage.

Reconnaissance planes dispatched Tuesday to the area confirmed that the wreckage is that of the downed RC-135.

Sobkoviak said the plane is perched near

the crest of a steep, snow-covered mountain ridge, about 2 1/4 miles inland from the coastal town of Valdez.

He said the Air Force intends to wait for more snow to melt before venturing in to the crash site.

"We're going to be flying some more reconnaissance flights over the area, checking out snow conditions. The wreckage is in a very dangerous area right now. When it looks safe, we're going to go up and see what we can recover," he said.

Those aboard the crashed plane were identified as pilot Maj. Michael L. Manning, 37, of

Cambridge, Ill.; co-pilot Maj. John R. Davis, 37, of Minden, La.; and navigator, Capt. Jonathan Seckman, 30, of Quincy, Ill. All were stationed at Eielson Air Force Base in Fairbanks.

The trainer airplane, a jet similar in size to a Boeing 707, disappeared from radar tracking screens Feb. 25 as the crew practiced approaches to the Valdez airport in heavy snowfall. Military and volunteer search efforts were hampered by continued stormy weather, and the search was suspended March 12, Sobkoviak said.

"The wreckage was found where officials at

Kenai assembly OK's \$635,000 for school design

By RONNIE CHAPPELL
Daily News reporter

SOLDOTNA — After debating the need to eliminate frills from the borough's school construction program, the Kenai Peninsula Borough Assembly Tuesday appropriated \$635,000 for the design of two \$29 million high schools.

As now planned, one of the schools will contain a 500-seat auditorium while the other

will include an indoor swimming pool.

Several assembly members, among them Kenn Stephens of Soldotna, unsuccessfully argued for the deletion of those "extravagant facilities" from the projects.

Together, the pool and auditorium will increase the combined cost of the two proposed high schools by more than \$7 million.

Assemblywoman Karen

McGahan of North Kenai offered a motion limiting the cost of each school to \$25 million. She withdrew the motion, however, in favor of a plan offered by Paul Dale of Soldotna under which the size and cost of each school would hinge on the amount of state aid available.

The state agrees to fund 80 percent of the cost of the schools — including pool and auditorium — there's a strong

possibility the entire package could reach the fall ballot. If the state refuses to fund the pool and auditorium, they can be deleted later, Dale said.

Originally, school district officials estimated it would cost \$23 million to build each 90,000-square-foot school. Since then, however, the schools have been enlarged — with state approval — to 118,000 square feet.

ALASKA PACIFIC

UNIVERSITY

Summer "Make The Best Of It!"

Summer is the time to make the best of it. And the best of summer is Alaska Pacific University's Summer Semester. You can take courses that will

- Enhance your career
- Expand your knowledge
- Stretch your horizons

New classes will begin nearly every week throughout the summer — starting NOW! Registrations are in Grant Hall. For a schedule of classes, contact the Registrar, Alaska Pacific University, Anchorage, AK.

NOTICE OF ROAD CONSTRUCTION

Construction of Dimond Boulevard, between Victor and Hartzell Roads is now in progress. Initial work will be along the south side of Dimond between the New Seward Highway and "C" Street, and on the north side of the road between Minnesota Drive and Arctic Boulevard. In conjunction with this work, gravel trucks will be hauling on the New and Old Seward Highways, King Street and Dimond Boulevard. We urge motorists to be alert for heavy equipment adjacent to the road and aware of any instructions of flagmen.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND
PUBLIC SAFETY

WE UNDERSTAND THE IN-
CONVENIENCE OF THIS ROAD
WORK AND APPRECIATE

THE NEW

- Designed to be compact cars &
- Lightweight
- Fiberglass
- Aerodynamic Design

Scam

See them now at:
429 Industrial

EXECUTIVE CHARTER SERVICES: A CHARTER AND COMMUTER AIRLINE BASED IN BETHEL. (19)

IN OPERATION SINCE 1975, EXECUTIVE CHARTER HAS SERVED 23 COMMUNITIES IN THE YUKON-KUSKOKWIM BASINS. RYAN AIR BOUGHT THE AIRLINE'S 14 SINGLE-ENGINE AIRPLANES, ONE TWIN-ENGINE AIRPLANE, HANGARS AND SUPPORT FACILITIES, ACCORDING TO A WRITTEN STATEMENT RELEASED BY RYAN AIR. THE PURCHASE PRICE WAS NOT DISCLOSED.

EXECUTIVE CHARTER'S SERVICE WILL MERGE WITH RYAN AIR'S FLIGHT SCHEDULE IN WESTERN ALASKA, THE STATEMENT SAID. THE PURCHASE, TO BE COMPLETED IN EARLY JUNE, WILL EXPAND THE 26-YEAR-OLD RYAN OPERATION TO 160 FULL-TIME AND CONTRACT EMPLOYEES, 37 AIRPLANES AND 35 PILOTS.

RYAN NOW HAS SCHEDULED FLIGHTS TO ANCHORAGE, ANIAK, ST. MARY'S, MCGRATH, GALENA, ILIAMNA AND UNALAKLEET.

BUYING THE BETHEL-BASED AIRLINE "PROVIDES A LOGICAL AND A VERY IMPORTANT LINK IN OUR OVERALL PLAN TO OFFER UNIFIED SERVICE THROUGHOUT WESTERN ALASKA," SAID RYAN AIR PRESIDENT WILFRED RYAN.

HE SAID RYAN AIR, FOR THE FIRST TIME, WILL BE ABLE TO CONNECT WESTERN ALASKA POINTS DIRECTLY RATHER THAN ROUTING FLIGHTS THROUGH ANCHORAGE.

Margo

ENROLLMENT INCREASES SEEN FOR KENAI

KENAI (AP) - ENROLLMENT AT KENAI PENINSULA BOROUGH SCHOOLS IS EXPECTED TO INCREASE BY 20 PERCENT OVER THE NEXT FOUR YEARS, DISTRICT OFFICIALS SAY.

"IT'S A STRAIGHT LINE PROJECTION THAT REFLECTS A PATTERN DEVELOPED OVER THE PAST FOUR YEARS," SAYS SUPERINTENDENT FRED POMEROY. "IN THE PAST WE'VE BEEN PRETTY DARN ACCURATE. THIS YEAR WE CAME WITHIN HALF A PERCENT."

THE DISTRICT'S ENROLLMENT NOW IS SLIGHTLY MORE THAN 8,000 AND IF THE GROWTH CONTINUES AS EXPECTED, THE TOTAL WILL TOP 10,000 BY THE END OF THE DECADE.

ENROLLMENT IS EXPECTED TO GROW FASTEST IN HOMER, NIKISKI, KENAI AND SOLDOTNA.

"WE'RE ALSO STARTING TO GET SOME MOVEMENT IN SEWARD," POMEROY SAYS. "PEOPLE APPEAR TO BE MOVING INTO THE AREA IN ANTICIPATION OF THE PRISON INDUSTRY. THIS YEAR WE HAD 50 KIDS APPEAR OUT OF NOWHERE."

THE STATE WANTS TO BUILD A MAXIMUM-SECURITY PRISON NEAR SEWARD, BUT THE LEGISLATURE HASN'T APPROPRIATED ENOUGH MONEY YET.

THE ADDITIONAL STUDENTS WILL REQUIRE EIGHT NEW SCHOOLS AND SEVERAL ADDITIONS, POMEROY SAYS. IN OCTOBER, VOTERS WILL BE ASKED TO APPROVE A \$76 MILLION BOND ISSUE THAT INCLUDES MONEY FOR THE CONSTRUCTION OF A NEW HIGH SCHOOL SOUTH OF SOLDOTNA, A NEW ELEMENTARY SCHOOL IN KENAI, A NEW SCHOOL IN HOPE, AND A GRADE SCHOOL AND HIGH SCHOOL IN NIKISKI.

BELLINGHAM, WASH. (AP) - JOHN KENNETH FEELE, FREE ON \$1 MILLION PROPERTY BONDS, WILL WIN DISMISSAL OF CHARGES THAT HE KILLED EIGHT

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

75%

Revision Date: _____

REQUEST

Bill/Resolution No.: CCS SB-51
Title: ...school construction...

Sponsor: Kerttula
Requestor: Conference Committee
Date of Request: 5/10/85

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		970.6	1,006.0	1,056.0	1,106.0	
800 MISCELLANEOUS						
TOTAL OPERATING		970.6	1,006.0	1,056.0	1,106.0	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)


GENERAL FUND		970.6	1,006.0	1,056.0	1,106.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

FY-86 bond payments by municipalities subject to the 50% reimbursement of AS 14.11.100 (a)(5) are estimated to be \$3,882,154. The difference between 50% and the 75% which result from the proposed amendment to 14.11.100 (a)(5) is 970.6. Costs associated with future debt are indeterminate.

Prepared By: Steve Hole  Phone: 465-2800
Division: Commissioner's Office Date: 5/10/85

Approved by Commissioner: Harold Ravnolds, Jr. Date: 5/10/85
Agency: Education

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

80%

Revision Date: _____

REQUEST

Bill/Resolution No.: CCS SB-51
Title: ...state aid...school
construction
Sponsor: Kerttula
Requestor: Conference Committee
Date of Request: 5/10/85

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		1,164.6	1,200.0	1,250.0	1,300.0	
800 MISCELLANEOUS						
TOTAL OPERATING		1,164.6	1,200.0	1,250.0	1,300.0	

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,164.6	1,200.0	1,250.0	1,300.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

FY-86 bond payments by municipalities subject to the 50% reimbursement of AS 14.11.100 (a)(5) are estimated to be \$3,882,154. The difference between 50% and the 80% which result from the proposed amendment to 14.11.100 (a) (5) is 1,164.6. Costs associated with future debt are indeterminate.

Prepared By: Steve Hole Phone: 465-2800
Division: Commissioner's Office Date: 5/10/85

Approved by Commissioner: Harold Reynolds, Jr. Date: 5/10/85
Agency: Education

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/1/84

Sec. 14.08.111. Duties. A regional school board shall:

- (1) provide, during the school term of each year, an educational program for each school age child who is a resident of the district;
- (2) develop a philosophy of education, principles and goals for its schools;
- (3) employ a chief school administrator and approve the employment of the professional administrators, teachers and noncertificated personnel necessary to operate its schools;
- (4) establish the salaries to be paid its employees;
- (5) designate the employees authorized to direct disbursements from the school funds of the board;
- (6) submit the reports prescribed for all school districts;
- (7) provide for an annual audit in accordance with AS 14.14.050;
- (8) provide custodial services and routine maintenance of school buildings and facilities;
- (9) establish procedures for the review and selection of all textbooks and instructional materials before they are introduced into the school curriculum; the review includes a review for violations of AS 14.18.060; and
- (10) provide prospective employees with information relating to the availability and cost of housing in rural areas to which they might be assigned, and, when possible, assist them in locating housing; however, nothing in this paragraph requires a regional school board to provide teacher housing, whether owned, leased or rented or otherwise provided by the regional educational attendance area, nor does it require the board to engage in a subsidy program of any kind with respect to teacher housing. (§ 2 ch 124 SLA 1975; am § 2 ch 17 SLA 1981; am § 2 ch 105 SLA 1983)

Effect of amendments. — The 1983 amendment added paragraph (10).

Sec. 14.08.151. Land and buildings. (a) Except as provided in (b) of this section, the ownership of land and buildings used in relation to regional educational attendance area schools shall remain vested in the state, and use permits shall be given to the regional school boards.

(b) A regional school board may, by resolution, request, and the commissioner of the department having responsibility shall convey, title to land and buildings used in relation to regional educational attendance area schools. If the state holds less than fee title to the land, the commissioner of the department having responsibility shall convey the entire interest of the state in the land to the regional school board. (§ 2 ch 124 SLA 1975; am §§ 2, 3 ch 147 SLA 1978; am § 46 ch 6 SLA 1984)

need criteria is applied for grants - How is DOE implementing?

"apply to Dept by Oct 15 of previous fiscal yr"

Sandra

Effect of amendments. — The 1984 amendment, effective February 14, 1984, deleted "and AS 14.08.161(g)" following "section" in subsection (a).

NOTES TO DECISIONS

State property only partially used by regional school district. — Subsection (b) of this section is inapplicable to state property which is only partially used by a regional school district, and superior court erred in requiring partial conveyance of building complex to regional school district. State v. Bering Strait Regional Educ Attendance Area School Dist., Sup. Ct. Op. No. 2625 (File No. 6381), 658 P.2d 784 (1983).

Chapter 11. Construction, Rehabilitation, and Improvement of Schools and Education-Related Facilities.

Section	Section
10. Recommendations and evaluations of projects	110. Eligibility
100. State aid for retirement of school construction debt	115. State aid
105. Public school facilities construction advance account	120. Application for aid
	125. Conditions of state aid
	130. Construction and implementation
	135. Definitions

Opinions of attorney general. — Appropriations to retire municipal general obligation school bond indebtedness under this chapter are "required" and qualify as an exception to the spending limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

Sec. 14.11.010. 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 school or education-related facility construction, rehabilitation, or improvement project together with a report evaluating the condition of school or education-related facilities in the municipality or regional educational attendance area and a determination of the need for the project.

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

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

(2) prepare an estimate of the amount of money needed to finance each project approved by the department and recommend to the governor appropriations for projects to be included in the budget submitted to the legislature;

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

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

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

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

(2) emergency requirements;

(3) the number of students without classroom space;

(4) new local elementary or secondary programs;

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

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

(d) The provisions of this section do not affect a municipality's eligibility for reimbursement under AS 14.11.100. (§ 3 ch 92 SLA 1982)

Editor's notes. — This section is set out above to correct a minor error in the title pamphlet.

Sec. 14.11.100. State aid for retirement of school construction debt. (a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

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

(2) 90 percent of

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

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

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after June 30, 1978 and before January 1, 1982 to pay costs of school construction projects approved under AS 14.07.020(11);

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

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

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds,

notes or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

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

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the Department of Education for approval under AS 14.07.020(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual a growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (a)(5)(A) of this section.

(5) subject to (h) and (i) of this section, 90 percent of

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

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

(b) The commissioner shall administer the program of reimbursement authorized under this section and shall provide by regulation for the filing of applications for reimbursement, the form of proof of costs for which application for reimbursement is made, and other regulations necessary to administer the program. The commissioner shall exclude from the total school construction cost of the local district all state and federal funds included in these costs except funds provided under this section and AS 43.50.140. In approving applications for reimbursement, the commissioner shall

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

(2) [Repealed, § 10 ch 92 SLA 1982.]

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments.

only entitled if approved.

(d) Money in the school construction account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this section reverts to the general fund.

(e) The commissioner shall annually provide a report to the legislature on allocations of state aid made under this section, including but not limited to, the amount of state aid paid on a per capita and per student basis and the resultant effect on the rate of levy of taxes by the municipality for educational purposes.

(f) [Repealed, § 17 ch 147 SLA 1978.]

(g) [Repealed, § 47 ch 6 SLA 1984.] or (a)(5)

(h) An allocation under (a)(4) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of money used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. An allocation under (a)(4) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that is competition size or larger and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner.

or (a)(5)

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

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

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

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

(j) The state may not allocate money to a municipality for a school construction project under (a)(5) of this section unless the project is approved by the commissioner before the local vote on the bond issue for the project. In approving a project under this subsection, the commissioner shall require

Commissioner approve before local bond vote

(1) the municipality to include on the ballot for the bond issue the estimated total cost of each project and the estimated amounts that will be paid by the state and by the municipality;

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

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

(4) the municipality to demonstrate need for the project by factors such as increased enrollment in the school district, the health and safety of the students, and the factors listed in AS 14.11.010(c). (§ 1 ch 249 SLA 1970; am § 1 ch 93 SLA 1971; am § 2 ch 137 SLA 1972; am § 1 ch 28 SLA 1973; am § 47 ch 127 SLA 1974; am §§ 1 — 3 ch 120 SLA 1977; am §§ 12, 17 ch 147 SLA 1978; am § 25 ch 168 SLA 1978; am §§ 8 — 10 ch 92 SLA 1982; am §§ 1 — 3 ch 82 SLA 1983; am § 47 ch 6 SLA 1984)

Revisor's notes. — Enacted as AS 43.18.100. Renumbered in 1983.

Cross references. — For present provisions of former subsection (g) of this section, see AS 14.11.135(3).

Effect of amendments. — The 1982 amendment, substituted "a municipality that" for "an organized borough or city which" in the introductory language of subsection (a), substituted "the municipality" for "the borough or city" in paragraphs (1), (2)(A) and (B), and (3)(A) and (B), substituted "90 percent" for "80 percent" in the introductory language of paragraphs (2) and (3), inserted "and before January 1, 1982" in paragraph (3)(A) and (B), and added paragraph (4). The amendment also repealed paragraph (2) of subsection (b), which read "required the borough or city to provide, with its application, a certified copy of the notice to

taxpayers required by AS 43.18.030," and added subsections (h) and (i).

The 1983 amendment, effective July 20, 1983, in paragraph (a)(4), inserted "up to" in the introductory language, inserted "and authorized by the qualified voters of the municipality before July 1, 1983" in (A), inserted "and before July 1, 1983" in (B), added "and" to the end of (B), and added (C). The amendment also added paragraph (a)(5) and subsection (j).

The 1984 amendment, effective February 14, 1984, repealed former subsection (g), which defined "commissioner" and "cost of school construction."

Legislative history reports. — For report on ch. 28, SLA 1973 (HCSSB 114), see 1973 Senate Journal, p. 312. For report on ch. 127, SLA 1974 (SCSHB 817 am S), see 1974 House Journal, p. 657.

Sec. 14.11.105. Public school facilities construction advance account. The public school facilities construction advance account is established. The account consists of appropriations for distribution under AS 14.11.105 — 14.11.135 to boroughs and cities which are school districts to assist in paying the costs of public school facilities projects approved under AS 14.07.020(11) for which construction is commenced after June 30, 1978 and for which no bonding, notes, or other indebtedness was incurred before July 1, 1978. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.105. Renumbered in 1983.

Sec. 14.11.110. Eligibility. Eligibility of a proposed construction project for funding assistance under AS 14.11.105 — 14.11.135 shall be determined by the department based on standards and criteria established by regulation. The standards and criteria to be considered in determining eligibility include the following:

*Never been used - was put in at time reimbursement was enacted to accommodate districts w/ no bonding capacity now covered under AS 14.11.010
94.15 part of both the grant & reimbursement programs*

priorities assigned by assembly...

- (1) emergency requirements;
- (2) number of unhoused students;
- (3) new elementary or secondary programs;
- (4) existing community and school facilities and their condition; and
- (5) economic and social stability of the community. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.110. Renumbered in 1983.

Sec. 14.11.115. State aid. (a) The amount of state aid payable in advance under AS 14.11.105 — 14.11.135 is the amount by which the cost of construction of the approved school construction project would cause the debt-to-valuation ratio of the municipality to exceed 12 per cent.

(b) A payment under (a) of this section is limited to an amount which, when combined with estimated payments to the school district for the retirement of the principal and interest on bonds, notes or other indebtedness or reimbursement of cash payments for a school construction project for which payment is made under AS 14.11.100(a)(1) or (2) or for an approved school construction project for which payment is made under AS 14.11.100(a)(3), does not exceed 80 per cent of the cost of the school construction project.

(c) For purposes of this section,

(1) "debt" means the principal amount of the direct and general obligation indebtedness of the municipality for which all taxable property is subject to taxation to pay the bond, note or other evidence of the debt, determined and reported in accordance with AS 14.17.140(c);

(2) "valuation" means the full and true value of the real and personal property of the municipality determined in accordance with AS 14.17.140(a). (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.115. Renumbered in 1983.

Sec. 14.11.120. Application for aid. (a) The commissioner shall prescribe the necessary forms and procedures to be used in applying for construction cost assistance under AS 14.11.105 — 14.11.135.

(b) A borough or city which is a school district seeking construction cost aid shall apply to the department by October 15 of the prior fiscal year.

(c) Based on the commissioner's review of applications and determination of project eligibility, the commissioner shall recommend to the governor an appropriation of funds for state aid for those projects under AS 14.11.105 — 14.11.135. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.120. Renumbered in 1983.

Sec. 14.11.125. Conditions of state aid. (a) Funds distributed to a borough or city which is a school district during a school year under AS 14.11.105 — 14.11.135 shall be received, held, and expended by the district in accordance with the applicable provisions of law and of regulations adopted by the department. Funds provided under AS 14.11.105 — 14.11.135, but which are not required for the project for which they were granted or which are in excess of that borough's or city which is a district's entitlement for aid under AS 14.11.115 shall be returned to the department and deposited in the general fund.

(b) Each borough or city which is a school district shall maintain financial records of the receipt and disbursement of state funds received under AS 14.11.105 — 14.11.135 and money provided toward local effort. The records shall be in the form prescribed by the department and are subject to audit by it at any time.

(c) Upon completion of the construction project, the chief school administrator of the district shall report the total cost of the project and means of financing it to the commissioner.

(d) Boroughs and cities that are school districts shall secure and maintain in full force and effect adequate property loss insurance for the replacement cost of all facilities constructed after July 1, 1978 and for which state funds are available under AS 14.11.100 — 14.11.135. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.125. Renumbered in 1983.

Sec. 14.11.130. Construction and implementation. (a) AS 14.11.105 — 14.11.135 may not be construed so as to create a debt to the state.

(b) Funds to carry out the provisions of AS 14.11.105 — 14.11.135 may be appropriated annually by the legislature into the public school facilities construction advance account. If amounts in the account are insufficient to meet the allocations authorized by the commissioner under AS 14.11.105 — 14.11.135, such funds as are available shall be distributed pro rata among each borough and city which is a school district based upon its computed entitlement. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.130. Renumbered in 1983.

Opinions of attorney general. — Appropriations to retire municipal general obligation school bond indebtedness under

this chapter are "required" and qualify as an exception to the spending limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

Sec. 14.11.135. Definitions. In AS 14.11.100 — 14.11.135, unless the context requires otherwise,

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

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

(3) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "department" means the Department of Education. (§ 13 ch 147 SLA 1978; am § 48 ch 6 SLA 1984)

Reviser's notes. — Enacted as AS 43.18.135. Renumbered in 1983.

Effect of amendments. — The 1984 amendment, effective February 14, 1984,

inserted present paragraph (3) and redesignated former paragraph (3) as present paragraph (4).

Chapter 14. Local Administration of Schools.

Article

1. Operation of Districts (§ 14.14.090)

Article 1. Operation of Districts.

Section

90. Additional duties

Sec. 14.14.090. Additional duties. In addition to other duties, a school board shall

(1) determine and disburse the total amount to be made available for compensation of all school employees and administrative officers;

(2) provide for, during the school term of each year, an educational program for each school age child who is a resident of the district;

(3) withhold the salary for the last month of service of a teacher or administrator until the teacher or administrator has submitted all summaries, statistics, and reports which the school board may require by bylaws;

(4) transmit, when required by the assembly or council but not more often than once a month, a summary report and statement of money expended;

(5) keep the minutes of meetings and a record of all proceedings of the school board in a pertinent form;

(6) keep the records and files of the school board open to inspection by the public at the principal administrative office of the district during reasonable business hours;

(7) establish procedures for the review and selection of all textbooks and instructional materials before they are introduced into the school curriculum; the review includes a review for violations of AS 14.18.060;

(8) provide prospective employees with information relating to the availability and cost of housing in rural areas to which they might be assigned, and, when possible, assist them in locating housing; however, nothing in this paragraph requires a school district to provide teacher housing, whether district owned, leased, rented or through other means, nor does it require a school board to engage in a subsidy program of any kind regarding teacher housing. (§ 1 ch 98 SLA 1966; am § 3 ch 17 SLA 1981; am § 3 ch 105 SLA 1983)

Effect of amendments. — The amendment added paragraph (8).

Chapter 17. Public School Foundation Program.

Article

2. Preparation of Public School Foundation Budget (§§ 14.17.080, 14.17.140)

4. General Provisions (§ 14.17.225)

Article 1. State Aid to Local School Districts.

Sec. 14.17.021. Basic state aid.

Editor's notes. — The operation of AS 14.17.021(a) is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 82, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

Sec. 14.17.022. Funds for centralized correspondence study.

Editor's notes. — The operation of AS 14.17.022 is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 32, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

Sec. 14.17.023. Supplemental equalization aid.

Editor's notes. — The operation of AS 14.17.023 is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 82, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

prepared by Sen HESS

DIFFERENCES IN HOUSE VERSION OF SB 51: School Construction

SEC. 1 Allows reimbursement of cash payments, as under current law. Senate bill removed this as an option. Generally runs a couple million dollars a year; Dept. has no objection to House version and it does provide an option for municipalities. However, it does mean more state money going out.

Provides for 80% reimbursement (Senate version is 75%, which is the Governor's recommendation).

SEC. 2 Specifies that state money can't be used for the portion of a project that exceeds Department space standards. Senate version essentially prohibits construction of anything that exceeds space standards. Issue here is the operation and maintenance costs that a larger facility incurs.

Swimming pool language is unchanged from existing law -- "competition size or larger". Senate version prohibits construction of anything that exceeds the space standards.

SEC. 4 Doesn't require that estimated operation and maintenance costs go on the ballot; Senate version does.

To demonstrate need and be eligible for state funding, the repair must be to meet health and safety standards. Senate version doesn't define the degree of repair.

Doesn't include as eligibility criteria the requirement to agree to a facility of an appropriate size. (Section 2, however, does limit state reimbursement to the portion of a project that is within space guidelines.)

SEC. 5 Interest may be used for costs of construction only. Senate version allows it to be applied to costs of bond issuance as well.

SEC. 6 Provides for an evaluation of projects, but no prioritization. Senate version requires that all requests for debt retirement be submitted to the Department by October 15, and that projects be prioritized based on weighted factors and submitted to the legislature.

SEC. 8 Requires that the districts notify the Department by October 15 of the amount of state reimbursement due them for the following fiscal year, but waives this deadline for FY 86 to accommodate those districts who may not yet be geared up for this new requirement.

SEC. 9 Effective date 7/1/86; Senate version is 1985. House version has no fiscal note this year; Senate version \$900,000.

Senate version repeals the "advance account" and requires legislative review of regulations. House version does neither of these things.

distributed by Kerttula

COMPARISON OF SCHOOL DEBT RETIREMENT BILLS
HB 191 and SB 51

- | HB 191 | SB 51 |
|--|--|
| 1. Raises debt reimbursement to 80%. | 1. Raises debt reimbursement to 75%. |
| 2. Does not make payments retro to 1983. | 2. Same. |
| 3. 14.11.100(h)-amended to reduce the amount of allocation for debt reimbursement by the amount used for construction of an inefficient design beyond what is approved by the department. (A district <u>could</u> build a school of any design and still be eligible for some reimbursement). | 3. 14.11.100(h)-does not add the House language but is amended to reduce an allocation by the construction cost difference between an approved swimming pool size and a larger one. |
| 4. 14.11.100(j)-amended to add new requirements a municipality must meet before the state may allocate money for reimbursement. A muni must demonstrate the need for a new facility or repair by long-term enrollment numbers or by having to meet health and safety standards. | 4. 14.11.100(j)-adds to the House requirements: operating and maintenance costs must be on the bond issue ballot and the municipality must agree to an appropriately sized facility as determined by the state board of education. (This means an unapproved facility will not be eligible for reimbursement). |
| 5. An amount equal to the interest earned on the investment of the bond proceeds shall be used by the municipality to pay the costs of construction of the project. | 5. Lists what interest must be used for: costs of the project, paying accrued interest on the bond issue, redeeming all or part of the bond or to pay the costs of issuing the bond. |
| 6. Requires school districts to submit their requests for funds under this program before October 15th of the fiscal year before the fiscal year for which the request is made. Does not apply to requests for fiscal year 1987. | 6. Same October 15th deadline, does not exempt fiscal year 1987. Sets out a priority list the department is to follow for allocation of funds. |
| 7. No legislative review or requirements for regulations. | 7. Requires the department to adopt regulations to carry out this chapter and requires a legislative review of the regulations in the second session of the 14th legislature. |
| 8. Effective date is July 1, 1986. | 8. Effective date is July 1, 1985. |

Levy
5/1/85 ✓

Original sponsor: Kerttula

1
2 IN THE SENATE

BY THE FINANCE COMMITTEE

3 CS FOR SENATE BILL NO. 51 (Finance)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to state aid for school construc-
8 tion; and providing for an effective date."

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

10 * Section 1. AS 14.11.100(a)(5) is amended to read:

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

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

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

25 * Sec. 2. This Act takes effect July 1, 1985.

ISB 147 → P. Fischer

~~Jan 8:30 Thurs A.M.~~

delete grants
leave in muni. criteria 75% →

net max reimbursement based
on 85 dollars

Fbx 70-80 million

Kenai 70-80

Mat Su 70-80

$\$200 + \text{interest} = \300

10 yr payback - so $\$30 \text{ million/yr}$

50% 15 million add 0 yr
80% 24 million " yr

$-\$9 \text{ million net}$

900 \square reg classroom = $\$150 \square$ - varies around state
no land, design, equipment. $\square = \text{construction cost}$

Jim Tozier - elem, Indonly, K-12 have diff space guidelines
↓
100 sq ft/student
Min size school 1300
Greater than many states cause
our kids spend more time indoors.

Require debt projects to meet space guidelines -
(No control over grants.) Otherwise locals pay
for anything in excess of space guidelines.
Often poor building
sites, so makes cost
of construction higher.

200
200
2

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.

ASSOCIATION OF ALASKA SCHOOL BOARDS

326 Fourth St., Suite 510 • Juneau, Alaska 99801 • (907) 586-1083

March 20, 1985

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp:

Please accept my apologies for being unable to attend the Senate HESS Committee hearing when it takes up S.B. 51, 159, 192 and 217. I will be in Anchorage on that day on other education business.

I would like to provide written testimony on these bills in the following manner.

Regarding S.B. 51 and 159

I am not sure that any one process is going to solve the needs of school construction in the next several years. S.B. 51 speaks to a grant process that uses bonding as a source of revenue. In light of the fact that the state bonding capacity is diminished, it does not appear that this notion will be the immediate solution to the need for new schools. AASB does, however, support S.B. 51 in that it appears to be a sound approach to prioritizing school construction needs. Possibly in the future when state bonding capacity is again realistic, this proposal could be used for dealing with the question at hand.

S.B. 159 deals with raising the state responsibility for the redemption of locally sold bonds for school construction. In 1983 the legislature reduced the state's contribution in this regard from 90% to 50% because of a rapidly rising state liability that appeared to be unchecked. This is demonstrated by the fact that the FY 86 state budget would call for \$405,000,000.00 for repayment of bonded indebtedness to municipalities. ~~Going back to a higher rate of state responsibility does not solve the fact that municipalities have an unlimited ability to bond and consequently obligate a debt for the state. There are no restrictions on the municipality in this regard other than the basic bonding capacity of the municipality.~~

Raising the state participation, however, may be a part of the answer to school construction even though the process is fraught with problems. I would encourage the committee to look at the process but explore some means of placing a cap on the ~~total obligation incurred in any one year. I would also suggest some combinations, namely the use of a state grant program that prioritizes projects, the use of local bonding capacity...~~ but also requiring that even these projects be forced into some sort of prioritizing, and the enhancing of the bonding incentive by raising the state participation on bond redemption.

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
March 20, 1985
Page two

My emphasis is on the need for a state prioritizing system that puts our first dollar on the most needed project. There simply isn't enough money around to start all the projects that are in the offing. Recent testimony indicates that in the four largest communities of the state the following needs have been established in the area of school construction:

Anchorage	\$87 million	Kenai	\$70 million
Fairbanks	\$46 million	Mat-Su	\$70 million

From this data, it would appear that a statewide prioritizing system is necessary if state funds are to be used, and a combination of sources of revenue are going to be necessary if these projects are to be started this year as testimony indicates is the intent.

Regarding S.B. 192, Sick Leave Bank, I have the following comments:

The language appears to have as its intent the providing of access to a larger number of days for new employees. The practical point of this issue is that older employees have access to considerable amount of sick leave time.

Because school boards look at this issue from both a teacher morale point of view and a business sense point of view, I would recommend that two additional points be considered here:

1. If the door is to be opened to additional time at the option of the board, then there should be somehow an assurance that this option will remain at the discretion of the board and not subject to negotiations out of the hands of the board.
2. Because an employee must use up all accrued sick leave before participation in the bank, there should be a provision whereby new employees using the sick leave bank should be required to pay back the first 24 days of bank use as the days are earned.....or something like that.

Regarding S.B. 217

This bill is necessary and has our support. It spells out the status of a group of employees that currently are undefined. As background, there was a court suit aimed at keeping these people in the teacher bargaining unit even though they had opted not to be there by virtue of A.S. 17.20.560(f). The question in the suit and consequently here is the definition of administrative personnel. S.B. 217

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
March 20, 1985
Page three

specifically permits teachers with administrative responsibilities the option of remaining with the teacher bargaining unit or opting by secret ballot to bargain with the administrator group. AASB supports this option.

Thank you for allowing me the opportunity to provide our views on these issues.

Respectfully,

A handwritten signature in black ink that reads "ROBERT C. GREENE". The signature is written in a cursive style with a long horizontal line extending to the right.

Robert C. Greene
Executive Director

RCG/sam

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 22, 1985

SUBJECT: Comparison of CSHB 191 (HESS)
with CSSB 51 (HESS)

TO: Senator Bettye Fahrenkamp
Chair, Senate HESS Committee

FROM: Keith B. Levy *KBL*
Legislative Counsel

You have requested a comparison of CSHB 191(HESS) with the latest draft of CSSB 51 (HESS), dated April 17, 1985. Both bills relate to grants and the retirement of debt for school construction. However, there are a number of substantive differences between the two bills.

Both bills set up a school construction grant account consisting of appropriations from the general fund for grants to municipal school districts and REAAs (AS 14.11.005). However, the Senate bill differs in that it provides that the account may also include funds appropriated from the proceeds of general obligation bonds (AS 14.11.005(b)). The Senate bill also requires the districts to repay 10 percent of the grant within 10 years, or to donate to the project 10 percent of the project cost.

Both bills require the school districts to request grant funds no later than October 15 of the year before the year for which the grant is requested (AS 14.11.010(a)).

Both bills require the Department of Education to rank requested school construction projects in the order of priority. This provision applies to debt retirement requests as well as grant requests (AS 14.11.102). However the Senate bill sets out a list of priorities the department must follow, in the order of decreasing importance. These include health and safety, unhoused students, cost savings, and upgrades (AS 14.11.010(b)), and are not contained in the House bill. Both bills also contain a number of factors the

department is required to evaluate, but not in any specified order of importance. These factors are in existing law (AS 14.11.100(c)) and include local priorities, emergency requirements, unhoused students, condition of local facilities, new programs, and stability of the local area. **The House bill adds to these factors the school district's local contribution to education.**

Both bills contain identical provisions allowing grants to be made if certain conditions are met and placing limitations on those grants (AS 14.11.015(a) and (b)). The **Senate bill** also contains provisions not found in the House bill **requiring a local vote on the receipt of grant funds before they may be accepted and providing that interest earned on the grant must be used for the project or returned to the state** (AS 14.11.015(c) and (d)).

The **House bill** increases the rate at which the state will reimburse school districts for school construction debt for projects authorized by the voters after June 30, 1983, and cash payments made after that date, from **50 percent to 90 percent**. This provision is **made retroactive**, applying to debt payments made two years before the year in which reimbursement is requested (AS 14.11.100(a)(5)). Accordingly, under the House bill, all debt payments for any project approved after June 30, 1983, would be reimbursed at the rate of 90 percent.

The Senate bill differs in that the rate of debt retirement for projects authorized by the voters between June 30, 1983, and June 30, 1985, and cash payments made between those dates, would be 75 percent. This provision would only apply to payments made beginning July 1, 1986. For projects authorized after June 30, 1985, the rate of debt retirement would also be 75 percent, but there would be no reimbursement for cash payments made after that date (AS 14.11.100(a)(6)).

Both bills contain substantively identical provisions adding to the criteria a project must meet before it is approved by the Commissioner of Education (AS 14.11.100(j)). These new criteria only apply to projects approved after June 30, 1985.

Both bills contain a provision restricting the use of interest earned on the investment of the proceeds of bonds issued for a school construction project. The Senate bill provides

that the interest may be used only for costs of the project, interest accrued on the bond issue, redemption of the bonds, or the costs of issuing the bonds. The House bill requires the school district to use an amount equal to the interest earned to pay the "costs of construction" of the project. This provision is not substantially different from the Senate version, however, because AS 14.11.135 provides that costs of school construction include "all costs of financing and carrying out the project." The costs listed in the Senate bill would be included under this definition.

The House bill contains a section, not found in the Senate bill, which provides that if a district receives a grant for a school construction project, a portion of the debt for the project equal to the amount of the grant will be retired at the rate of 50 percent instead of 90 percent (AS 14.11.103).

Both bills contain an identical section providing that if a municipality accepts a grant for school construction under the existing municipal grant provisions (AS 37.05.315) the municipality must comply with the restrictions on grants contained in the bill (AS 14.11.015).

The House bill contains a provision exempting debt retirement requests for fiscal years 1986 and 1987 from the October 15 filing requirement (sec. 13(b)). This provision is not found in the Senate bill.

Finally, both bills repeal the existing provisions of AS 14.11 relating to the public school facilities construction advance account (sec. 14 of the House bill; sec. 18 of the Senate bill).

KBL:ojb
J14/013

Senate HESS Committee
April 17, 1985

Superseded

Summary of Draft CS SB 51 (HESS)

Existing Law

Grants

Reimbursement

REAA's and municipalities
(14.11.015).

Districts with bonding
capacity

Same

Repay 10% within 10 years or
contribute like amount in real
property, site preparation, or
capital improvements
(14.11.005)

75% reimbursed over 10 years
(14.11.100(a))

No repayment of grant
required; 50%
reimbursement over 10
years.

Must apply to the Department
for funds by October 15 of the
previous year (14.11.010(a))

Same (14.11.102)

Current regulations (4
AAC 31.060) require
reimbursement claims be
made by September 15; no
such date for grant
requests.

Must demonstrate need -
projected long term student
enrollment that indicates the
school district has inadequate
facilities to meet needs, or
existing facilities that
require repair or replacement
(14.11.015(a)(2))

Same (14.11.100(j)(4))

Demonstration of need not
required.

Must agree to facility of
appropriate size and
configuration (14.11.015(a)(1))

Same (14.11.100(j)(5))

Guidelines on square
footage allocations are
provided in current
regulations (4 AAC
31.020)

Grant cannot be made until voter approval is received (14.11.015(c)).

Commissioner must approve project prior to local vote on the bond issue (14.11.100(j)).

Local vote is required for bond issuance only. Reimbursement is made on all bonded projects subject to available funds.

Projects to be prioritized and presented to the Governor and the Legislature (14.11.010(b))

Same (14.11.102)

Prioritization is required for grants only.

"Prioritizers", in order of importance - health and safety, unhoused students, protection of structure, operating cost savings, building code upgrade, functional upgrade (14.11.010)

Same (14.11.102)

Provides general criteria, but does not establish a specific priority system.

Expenditure of state funds prohibited for hockey rink, planetarium, residential space, sauna, and other single purpose sporting/recreational facility (14.11.105(b))

Same (14.11.100(h))

Expenditure limited for reimbursement, but not for grants.

General fund or proceeds of general obligation bonds. Interest earned must be applied to project costs.

General fund with local indebtedness. Interest earned on bond proceeds must be applied to project costs or costs of the bond issuance (14.11.100(k)).

General fund for bonds; general fund with local indebtedness for debt retirement. Interest is spent at the district's discretion.

Introduced: 2/8/85
Referred: Health, Education & Social Services
and Finance

1 IN THE SENATE

BY FAHRENKAMP AND FERGUSON

2

SENATE BILL NO. 143

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 is amended by adding a new section to read:

10 Sec. 14.11.090. SCHOOL CONSTRUCTION GRANT ACCOUNT. (a) There
11 is established the school construction grant account to consist of
12 revenue received by the state from general obligation bonds sold for
13 the purposes of school construction. The state may appropriate funds
14 from the school construction grant account to school districts for the
15 costs of school construction.

16 (b) A city or borough school district that receives a grant
17 under this section shall repay the state 10 percent of the grant
18 within three years of receiving the grant. To the extent permitted by
19 federal law, a regional educational attendance area that receives a
20 grant under this section shall use federal funds it receives under 20
21 U.S.C. 236 - 244 (P.L. 81-874) to repay the state 10 percent of the
22 grant within three years of receiving the grant.



no \$ to bond

State

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See #11

§ 14.07.010

EDUCATION

§ 14.07.020

Section

58. Alaska School Activities Association
59. Alaska school activities fund

Section

60. Regulations
70. Withholding state funds

Collateral references. — 68 Am. Jur.
2d Schools, §§ 5-7, 37-55.
78 C.J.S. Schools and School Districts.
§§ 83-91.

Modern status of doctrine of sovereign
immunity as applied to public schools and
institutions of higher learning. 33 ALR3d
703.

Sec. 14.07.010. Department of Education. The Department of Education includes the commissioner of education, the state Board of Education, and the staff necessary to carry out the functions of the department. (§ 1 ch 98 SLA 1966)

NOTES TO DECISIONS

Quoted in *Begich v. Jefferson*, Sup. Ct. Op. No. 481 (File No. 894), 441 P.2d 27 (1968).

Anchorage School Dist., Sup. Ct. Op. No. 2160 (File Nos. 4796, 4797, 4826), 617 P.2d 490 (1980).

Cited in *Tunley v. Municipality of*

Sec. 14.07.020. Duties of the department. The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of the public schools;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools;

(5) establish, in coordination with the Department of Health and Social Services, a program for the continuing education of children who are held in detention facilities in the state during the period of detention;

(6) accredit those public schools which meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;

(7) prescribe by regulation, after consultation with the Department of Health and Social Services, standards that will assure healthful and safe conditions in the public and private schools of the state; the standards for private schools may not be more stringent than those for public schools;

(8) in cooperation with the Department of Health and Social Services, exercise general supervision over public and private pre-elementary schools and over the educational component of nurseries as defined in AS 47.35.080(4); pre-elementary schools in this paragraph means schools for children ages three through five years when the schools' primary function is educational;

(9) provide accredited elementary and secondary correspondence study programs available to any Alaskan through a centralized office of correspondence study;

(10) accredit private elementary and secondary schools which request accreditation and which meet accreditation standards prescribed by regulation by the department;

(11) review plans for construction of 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 educational specifications, schematic designs, and final contract documents;

(12) provide educational opportunities in the areas of vocational education and training, basic education, and fire-service training to individuals over 16 years of age who are no longer attending school;

(13) administer the grants awarded under AS 14.11.020. (§ 1 ch 98 SLA 1966; am § 2 ch 69 SLA 1971; am § 6 ch 104 SLA 1971; am § 1 ch 190 SLA 1975; am § 6 ch 50 SLA 1977; am §§ 1-3 ch 126 SLA 1978; am § 10 ch 147 SLA 1978; am § 1 ch 86 SLA 1979; am § 24 ch 59 SLA 1982; §§ 1, 2 ch 92 SLA 1982)

Revisor's notes. — A reference to AS 14.11.020 was substituted for a reference to AS 14.07.190 in paragraph (13) by the revisor of statutes under AS 01.05.031 to conform to the renumbering of that section.

Effect of amendments. — The first 1978 amendment deleted "private, and denominational" preceding "schools" near the beginning of paragraph (6), inserted "and private" preceding "schools" in paragraph (7), added the language beginning "the standards for private schools" to the end of paragraph (7), and added paragraph (10).

The second 1978 amendment added paragraph (11).

The 1979 amendment added paragraph (12).

The first 1982 amendment substituted "of" for "and" preceding "new public elementary" in paragraph (11).

The second 1982 amendment substituted "'plans' include" for "a 'plan' includes" in paragraph (11), inserted "and approve" and "the" preceding "purposes of this paragraph" in that same paragraph, and added paragraph (13).

Superseded

Summary of Draft CS SB 51 (HESS)

Existing Law

Grants

Reimbursement

REAA's and municipalities bonded to full capacity of the district (14.11.015).

Districts with bonding capacity

Grants are available to all districts; reimbursement is available to districts with bonding capability.

Repay 10% within 10 years or contribute like amount in kind (14.11.005)

80% reimbursed over 10 years (14.11.100(a))

No repayment of grant required; 50% reimbursement over 10 years.

Must apply to the Department for funds by October 15 of the previous year (14.11.010(a))

Same (14.11.102)

Current regulations (4 AAC 31.060) require reimbursement claims be made by September 15; no such date for grant requests.

Must demonstrate need - projected long term student enrollment that indicates the school district has and will continue to have unhoused students, or existing facilities that require repair or replacement (14.11.015(a))

Same (14.11.100(j)(4))

Demonstration of need not required.

Agree to facility of appropriate size and configuration (14.11.015(a)(2))

Same (14.11.100(j)(6))

Guidelines on square footage allocations are provided in current regulations (4 AAC 31.020)

Projects to be prioritized and presented to the Governor and the Legislature (14.11.010(b))

Same (14.11.102)

Prioritization is required for grants only.

"Prioritizers" - local priorities, emergency requirements, number of students without classroom space, new local programs, condition of existing facilities, economic and social stability of the region (14.11.010)

Same (14.11.102)

Prioritizers apply to grants only.

Expenditure of state funds prohibited for hockey rink, planetarium, residential space, sauna, and other single purpose sporting/recreational facility (14.11.105(b))

Same (14.11.100(h))

Expenditure limited for reimbursement, but not for grants.

General fund

General fund with local indebtedness. Must reduce bond issue by interest that will be earned on local bond issue during repayment period (14.11.100(j)(5)).

Interest is applied at the municipality's discretion.

MEMORANDUM

State of Alaska

TO: Steve Hole

DATE: March 18, 1985

FILE NO

2865

TELEPHONE NO

SUBJECT

Amended Fiscal Note
SB 51

FROM


Bob Davis

The municipalities listed below sold school construction bonds between July 1, 1983, and June 30, 1984. The impact of the proposed amendment to AS 14.11.100(a)(3) attributable to HB 51 is shown below for six fiscal years. Since both qualify under the provisions of AS 14.11.100(a)(5), the amounts below are the difference between the 50 percent rate authorized and the 90 percent rate proposed in SB 51.

District Date Sold Term	Impact FY 86	Impact FY 87	Impact FY 88	Impact FY 89	Impact FY 90	Impact FY 91
KENAI 04/01/84 to 10/01/94	277,340	295,004	307,396	326,500	339,496	301,275
WRANGELL 12/01/83 to 02/01/2003	6,000	8,000	8,000	10,000	10,000	10,000
TOTALS	283,340	303,004	315,396	326,500	349,496	311,275

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CR-51
 Title: state aid for school
Construction
 Sponsor: Korttula
 Requestor: Senato Hess
 Date of Request: 3-15-85

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 CRANTS, CLAIMS		283.3	303.0	315.4	326.5	349.5
800 MISCELLANEOUS						
TOTAL OPERATING		283.3	303.0	315.4	326.5	349.5

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		283.3	303.0	315.4	326.5	349.5
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: 3-19-85
 Approved by Commissioner: Harold Reynolds, Jr. Date: 3-19-85
 Agency: Education

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

7/1/84



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

January 16, 1985

DIRECTORS
OFFICE

JAN 21 1985

Management, Law Finance

Norma Peterson
Department of Education
Pouch F
Juneau, Alaska 99801

Dear Ms. Peterson:

Here is the schedule you asked for on our 1984 school bonds. This issue was for \$16,665,000; \$6.6 MM is to be reimbursed at 90%, \$5.275 MM at 50%, and the remaining \$4.79 MM is unreimbursable. The Percentages are as follows:

90%	39.61%
50%	31.65%
0%	28.74%

You could apply these percentages to any payment we submit for reimbursement to come up with the reimbursement due to us. The following schedule shows the breakdown of each fiscal year's debt service.

<u>Fiscal Year</u>	<u>Total Payment</u>	<u>90%</u>	<u>50%</u>	<u>0%</u>	<u>Total</u>
1985	1,504,425.00	595,811.88	476,198.13	432,414.99	1,504,425.00
1986	2,190,456.25	867,507.43	693,348.74	629,600.09	2,190,456.25
1987	2,329,968.75	922,759.90	737,508.86	669,699.99	2,329,968.75
1988	2,427,850.00	961,524.75	768,491.37	697,833.87	2,427,850.00
1989	2,499,750.00	990,000.00	791,250.00	718,500.00	2,499,750.00
1990	2,681,375.00	1,061,930.69	848,740.06	770,704.25	2,681,375.00
1991	2,379,500.00	942,376.24	753,187.07	683,936.69	2,379,500.00
1992	2,519,250.00	997,722.77	797,422.37	724,104.86	2,519,250.00
1993	2,703,625.00	1,070,742.57	855,782.89	777,099.53	2,703,625.00
1994	2,661,625.00	1,054,108.91	842,488.56	765,027.53	2,661,625.00
1995	3,030,500.00	1,200,198.02	959,249.17	871,052.81	3,030,500.00
	26,928,325.00	10,664,083.17	8,523,667.23	7,739,974.60	26,928,325.00

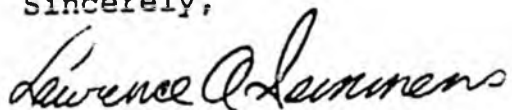
Norma Peterson--Dept. of Education

Page 2

January 16, 1985

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence A. Semmens". The signature is written in dark ink and is positioned above the typed name.

Lawrence A. Semmens
Treasury Manager

LAS/dmc

\$1,000,000

50 90

**CITY OF WRANGELL, ALASKA
GENERAL OBLIGATION BONDS**

Dated: December 1, 1983 Due: December 1, 1984-2003
Semi-annual interest payments: June 1 and December 1
Commencing June 1, 1984

MATURITY SCHEDULE

<u>December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>December 1</u>	<u>Amount</u>	<u>Interest Rate</u>
1984	\$15,000		1994	\$ 45,000	
1985	20,000		1995	50,000	
1986	20,000		1996	55,000	
1987	25,000		1997	60,000	
1988	25,000		1998	65,000	
1989	25,000		1999	75,000	
1990	30,000		2000	80,000	
1991	35,000		2001	90,000	
1992	35,000		2002	100,000	
1993	40,000		2003	110,000	

The Bonds maturing on or after December 1, 1994 are subject to redemption on or after December 1, 1993 at par plus accrued interest.

AUTHORIZATION

These Bonds are issued under the provisions of the Constitution and laws of the State of Alaska and pursuant to a bond election in which a majority of the qualified voters, voting at a regular election on October 4, 1983, approved the issuance of \$1,000,000 General Obligation Bonds and pursuant to Bond Ordinance No. _____ enacted by the City of Wrangell on October 10, 1983.

SECURITY

The City of Wrangell (the "City") has irrevocably covenanted that it will, without limitation as to rate or amount, levy taxes annually on all taxable property within its boundaries in an amount sufficient to pay the principal of and interest on the Bonds, as the same shall become due. The full faith and credit of the City have been irrevocably pledged for the payment of the principal and the interest on the Bonds. The rights and remedies of Bondholders are subject to applicable bankruptcy or insolvency laws or other similar laws generally affecting creditors' rights.

DEBT PAYMENT RECORD

The City of Wrangell has always promptly met principal and interest payments on general obligation bonds when due.

LEGAL OPINION

Preston, Thorgrimson, Ellis & Holman, Seattle, Washington.

*Changes - Problem in anticipating
limiting access to approved project.
Now -- all projects treated same.
Dems need. Muni needs. Then
debt not make sense. Had much
addtl indebtedness allowed
tight constraints on construction -- extra.
Eats up bond capacity / open + man out of
plan program.*

DRAFT

MEMORANDUM

March 20, 1985

TO: Arliss
FROM: Melissa
RE: State G.O. Bond debt capacity and
school bond debt

There is attached ^{EXHIBIT FROM} ~~a memo from within~~ the Department of Revenue, ^{SECRET} which
discusses, as of December 1984, the G.O. bond debt capacity of the state
to 1991 under the revenue projections which were current then. The
declining revenue picture and the ^{possible lowered} ~~lowered~~ projections expected in April
will, of course, lower the projected debt capacity.

The department's debt capacity is calculated on the 5 percent of pro-
jected unrestricted revenues limit advised by bond counsel. You will
note that the calculations of state debt capacity includes not only
state G.O. bonds, but debt service on ACHA bonds, U of A revenue bonds
and lease payments on the Seward student service center lease certifi-
cates of participation.

Anticipated lease purchase** financing is treated as G.O. bond debt for
the purposes of calculating debt capacity, and according to the attached
memo would further reduce the state's debt capacity under the mean rev-
enue estimate by another \$260.5 million if the lease purchase agreements
for the Anchorage office building and Anchorage court building are made.

draft memo/2

Projections of debt capacity are made using assumptions about future interest rates as well. Revenue assures ten-year bonds at 10 percent -- amortization factor .153.

1989 before we can expect bond capacity -- even then only come 100 MM a year.

~~The Department of Revenue does not take school bond debt, either current~~

~~projections, into consideration concerning future debt capacity.~~

remains competitive for state \$'s.

Attached, as you requested, is a bar graph obtained from the Department of Education showing dollar amounts authorized under the school bond debt reimbursement program and the actual amounts paid by the state.

attached is a chart showing school district debt in Alaska Dept of Education

Bob Greene tells me that anticipated bond sales (depending on state capital grants) are:

- Mat-Su Borough \$70 million
- Kenai Borough \$70 million
- Anchorage School District \$83-87 million
 - Requested \$87 million; will probably bond to make up difference
- Fairbanks \$46 million
 - First phase of three-phase project; does not take into account potential new military battalion

270-MM certainly not total need.

** Blomfield has filed suit saying lease-purchase financing is unconstitutional.

III. STATE DEBT CAPACITY

A. Debt Capacity Through 1991

The estimated capacity of the State to issue debt in the form of general obligation bonds and lease purchase financing is as follows (\$ millions):

<u>Fiscal Year</u>	<u>Mean Revenue Estimate</u>	<u>30th Percentile Estimate</u>
1985	---	---
1986	---	---
1987	48	---
1988	2	---
1989	100	19
1990	123	64
1991	<u>115</u>	<u>119</u>
Total	388	202

Total lease purchase financing in excess of \$260 million for the Anchorage Office Complex and the Anchorage Court Building may occur in the near future. If so, this would reduce State debt capacity through FY 1991 to \$128 million under the mean revenue estimate. The State would not have any additional debt capacity under the 30th percentile estimate.

The above estimates of debt capacity are based on the January 1985 Department of Revenue revenue estimates. They adhere to the premise that debt service should not exceed 5% of the State's unrestricted revenue if the State is to maintain its "AA" credit rating.

In addition to debt service on State general obligation bonds, debt service on Alaska State Housing Authority lease revenue bonds, University of Alaska revenue bonds, and lease payments on the Seward Student Service Center Lease Certificates of Participation are included in the calculation of State debt capacity.

The rating agencies view lease financing obligations in the same light as general obligations of the State. A lease purchase obligation may take the form of either revenue bonds or certificates of participation. In either case, State lease payments are the sole security for the obligations. The fact that these lease payments are subject to annual appropriations precludes the obligations from being considered State debt under the constitution and thus requiring voter approval. Lease purchase obligations

provide for the acquisition of the property by the lessee at the end of the lease. The term of the lease and purchase price are such that the lessee (State) is considered the owner of the property for Federal tax purposes from the outset of the lease. As a result, a portion of the lease payments is treated as tax-exempt interest income under the Federal income tax.

Consideration of lease purchase financing complicates the analysis of debt capacity in that interest rates are likely to be higher but terms possibly longer than on general obligation debt. For simplicity's sake since these estimates serve as a general guideline and because it is unknown how much future debt will be general obligation bonds as opposed to lease purchase financing, the estimates are made as if all future debt is general obligation debt -- an assumed 10% interest rate and 10 year maturity.

Tables 3.1, 3.2, and 3.3 show the derivation of the above debt capacity estimates.

B. Debt Ratios

Tables 3.4 and 3.5 show past and projected ratios of debt service to unrestricted revenue. Since fiscal year 1975, the ratio has exceeded the 5% guideline only in two years and not all that much even then. As Table 3.4 also shows, the past ratio of debt service to expenditures, which smooths out some of the variability in Alaska's more volatile oil revenues, has been more constant and consistently at 5% or less.

Table 3.5 indicates that this ratio should be slightly over 5% this fiscal year and next but should decline rapidly thereafter. However, lease financing of the previously mentioned Anchorage facilities and possible downward revisions of future revenue estimates may result in the ratio hovering above 5% for several more years.

The above ratio of debt service to revenue is used as a guideline for Alaska because the more traditional ratios of state credit analysis -- debt per capita, debt per \$1,000 of personal income, and debt to full value (of taxable property) -- are rendered rather meaningless by the large flow of State oil revenues and the debt such revenues can support. These revenues are only tangentially related to State population. They are more directly related to personal income to the extent the State spends the oil revenues in-state and to property values since oil and gas property is included in full value. However, because Alaska oil and gas property, with its prolific production and outsized revenue flows, constitutes 41% of full value

TABLE 3.1

Debt Capacity
General Obligation Bonds and Lease Purchase Financing
Mean Revenue Estimates
(\$ Millions)

Fiscal Year	Unrestricted Revenue ^{1/}	5% of Revenue	Existing Debt Service & Lease Payments ^{2/}	Available for Additional Debt Service	Additional Debt Capacity ^{3/ 4/}	Cumulative Debt Capacity
1985	3347	167	182	---	---	---
1986	3384	169	176	---	---	---
1987	3435	172	164	8,000,000	48,000,000	48,000,000
1988	3300	165	157	8	2	49
1989	3387	169	145	24	100	149
1990	3468	173	129	44	123	272
1991	3353	168	105	63	115	388
1992	3406	170	77	93		
1993	3533	177	68	109		
1994	3470	174	39	135		
1995	3508	175	27	148		
1996	3490	175	24	151		
1997	3458	173	19	154		
1998	3523	176	17	159		
1999	3453	173	11	162		
2000	3405	170	4	166		

^{1/} January 1985 Department of Revenue revenue estimates.

^{2/} Includes debt service on general obligation bonds, Alaska State Housing Authority lease revenue bonds, University of Alaska revenue bonds, and Seward Student Service Center Lease Certificates of Participation.

^{3/} Assumes ten year bonds at 10.0% -- amortization factor .163.

^{4/} The absence of revenue estimates beyond FY 2000 and the need to ascertain the availability of funds for debt service over a ten year term prevents the estimation of debt capacity beyond FY 1991.

TABLE 3.2

Debt Capacity
General Obligation Bonds and Lease Purchase Financing
30th Percentile Revenue Estimates
(\$ Millions)

<u>Fiscal Year</u>	<u>Unrestricted Revenue</u> ^{1/}	<u>5% of Revenue</u>	<u>Existing Debt Service & Lease Payments</u> ^{2/}	<u>Available for Additional Debt Service</u>	<u>Additional Debt Capacity</u> ^{3/ 4/}	<u>Cumulative Debt Capacity</u>
1985	3,315	166	182	---	---	---
1986	3,312	165	178	---	---	---
1987	3,285	164	164	---	---	---
1988	3,038	152	157	---	---	---
1989	2,961	148	145	3	19	19
1990	2,851	143	129	14	64	83
1991	2,754	138	105	33	119	202
1992	2,785	139	77	62		
1993	2,801	140	68	72		
1994	2,669	133	39	94		
1995	2,638	132	27	105		
1996	2,524	126	24	102		
1997	2,477	124	19	105		
1998	2,416	121	17	104		
1999	2,306	115	11	104		
2000	2,230	112	4	108		

^{1/} January 1985 Department of Revenue revenue estimates.

^{2/} Includes debt service on general obligation bonds, Alaska State Housing Authority lease revenue bonds, University of Alaska revenue bonds, and Seward Student Service Center Lease Certificates of Participation.

^{3/} Assumes ten year bonds at 10.0% -- amortization factor .163.

^{4/} The absence of revenue estimates beyond FY 2000 and the need to ascertain the availability of funds for debt service over a ten year term prevents the estimation of debt capacity beyond FY 1991.

TABLE 1.12

State of Alaska
State General Obligation Bond Sales
Since 1973

<u>Date of Bonds</u>	<u>Amount of Issue (Millions)</u>	<u>Maturities</u>	<u>Average Life in Years</u>	<u>Effective Interest Rate</u>	<u>Salomon Brothers Monthly Average ^{1/}</u>	<u>Ratings (at the time of issuance) Moody's/ Standard & Poors</u>
Jan. 13, 1973	\$ 20.0	1976-1998	15.3	5.12%	5.10%	Baa1/A
Jan. 13, 1973	27.0	1976-1998	14.8	5.10	5.20	Baa1/A
Aug. 1, 1973	31.0	1977-1998	16.7	5.80	5.65	Baa1/A
Sept. 1, 1974	30.0	1978-1998	15.6	6.85	6.40	A1/A
Feb. 1, 1975	40.3	1978-1998	14.6	5.98	6.10	A1/A+
May 1, 1975	42.0	1979-1999	15.1	6.52	6.40	A1/A+
Oct. 1, 1975	42.9	1978-1997	12.5	6.85	6.00	A1/A+
Mar. 1, 1976	40.0	1978-1993	9.5	5.86	5.30	A1/A+
July 1, 1976	40.0	1978-1993	9.5	5.80	5.15	A1/A+
Feb. 1, 1977	40.0	1979-1988	9.5	5.08	4.50	A1/A+
Oct. 1, 1977	40.0	1979-1988	7.0	4.50	4.45	A1/A+
Apr. 1, 1978	45.0	1980-1988	7.0	4.86	4.85	A1/A+
Jan. 1, 1979	40.0	1979-1989	5.5	5.52	5.50	A1/A+
May 1, 1979	60.0	1979-1989	5.5	5.59	5.30	A1/A+
July 1, 1980	125.0	1981-1990	5.5	5.76	5.50	Aa/AA-
Apr. 1, 1982	200.0	1983-1992	5.0	9.98	10.25	Aa/AA-
Nov. 1, 1982	185.0	1983-1992	5.0	7.72	7.50	Aa/AA-
Oct. 1, 1983	78.0	1984-1993	5.0	7.47	7.20	Aa/AA-

Source: John Nuveen & Co., Alaska: A New Look, 1981; and Department of Administration, Bonded Debt and Debt Service, Fiscal Year 1984.

^{1/} Salomon Brothers Monthly Average is for "Good Grade" bonds of similar average maturity.

TABLE 1.11

State of Alaska
General Obligation Bonds
Annual Debt Service

<u>Years Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1985	107,860,000	61,663,874	169,523,874
1986	109,269,000	58,979,162	168,248,162
1987	108,380,000	46,512,046	154,892,046
1988	108,685,000	39,220,555	147,905,555
1989	103,727,000	31,784,971	135,511,971
1990	95,560,000	24,746,290	120,306,290
1991	77,499,000	17,983,980	95,482,980
1992	56,149,000	12,052,225	68,201,225
1993	51,363,000	8,225,187	59,688,187
1994	28,398,000	5,531,975	33,929,975
1995	19,096,000	3,987,625	23,083,625
1996	18,610,000	2,864,412	21,474,412
1997	14,865,000	1,800,418	16,665,418
1998	13,380,000	1,008,193	14,388,193
1999	8,640,000	368,931	9,008,931
2000	2,531,000	69,081	2,600,081
Total	\$924,008,000	\$311,898,925	\$1,235,906,925

Source: Department of Administration, Bonded Debt and Debt Service, June 30, 1984.

TABLE 1.3

State of Alaska
Public Debt Issued, Detailed by State Agency
(\$ Millions)

<u>Year</u>	(FY) <u>State GO</u>	(CY) <u>AHFC</u>	(FY) <u>Bond Bank</u>	(CY) <u>AIDA</u>	(FY) <u>APA</u>	(CY) <u>ASHA</u>	(FY) <u>International Airports</u>	(FY) <u>University of Alaska</u>	(FY) <u>AMFA</u>	(FY) <u>Municipal Debt</u>
1972	\$ 53.4	\$ 13.5	\$ -	\$ -	\$ -	\$23.2	\$ -	\$2.2	\$ -	\$ 88.9
1973	47.0	49.0	-	-	-	22.6	7.5	-	-	46.8
1974	31.0	-	-	-	-	11.4	-	-	-	85.3
1975	112.3	52.0	-	-	-	-	7.5	6.5	-	120.2
1976	82.9	45.0	3.1	-	-	5.3	-	-	-	70.1
1977	80.0	123.0	13.3	-	-	6.0	-	.1	-	220.8
1978	85.0	146.2	3.7	-	-	-	-	-	-	182.3
1979	100.0	170.6	18.0	-	-	5.1	-	5.2	-	316.8
1980	-	503.8	27.9	-	-	-	-	-	12.0	250.0
1981	125.0	650.0	17.9	75.1	35.0	-	-	-	-	277.7
1982	200.0	637.0	51.0	26.2	165.0	2.4	-	-	-	316.5
1983	185.0	1,075.0	27.0	62.2	-	31.5	-	-	-	575.2
1984	78.0	1,234.9	6.9	50.6	-	-	28.0	-	2.1	N/A

Sources: Annual Financial Report, Alaska Department of Administration, June 30, 1984;
Annual reports of State agencies; Governmental Finances, U.S. Bureau of the Census.

TABLE 1.7 (continued)

	<u>Principal Outstanding 6-30-84</u>	<u>Interest to Maturity 6-30-84</u>	<u>Total Debt Service to Maturity 6-30-84</u>	<u>Debt Issued 6-30-84 to 12-31-84</u>
STATE AGENCY COLLATERALIZED DEBT				
Alaska Housing Finance Corporation				
Collateralized Bonds (Veterans Mortgage Program)	0	0	0	402.5
Collateralized Home Mortgage Bonds	0	0	0	202.4
Overseas Finance N.V. Guaranteed Bonds	100.0	113.8	213.8	0
FNMA Collateralized Notes	175.0	N/A	N/A	125.0
Alaska State Housing Authority				
FHA Insured ^{Mortgage} Revenue Bonds	<u>33.8</u>	<u>15.2</u>	<u>49.0</u>	<u>0</u>
Total State Agency Collateralized Debt	308.8	129.0	437.8 <u>1/</u>	729.9
Total State General Obligation Bonds and State Supported Debt	1,001.2	341.6	1,342.8	6.0
Total State and State Agency Debt	5,403.8	5,811.5	11,215.2 <u>1/</u>	829.0

Sources: Bonded Debt and Debt Service, State of Alaska, June 30, 1984; 1984 annual reports and financial statements of AHFC, ASHA, Bond Bank, ALDA, APA, University of Alaska, and AMFA; Selected Corporation and Program Information of AHFC, December 1984; Other information provided by State agencies directly.

1/ Includes principal outstanding for bonds for which interest to maturity is not known.

2/ Includes 6-30-84 principal outstanding for bonds for which 12-31-84 principal outstanding is not known.

TABLE 1.7 (continued)

	Principal Outstanding 6-30-84	Interest to Maturity 6-30-84	Total Debt Service to Maturity 6-30-84	Debt Issued 6-30-84 to 12-31-84	Principa' Outstanding 12-31-84
STATE REVENUE DEBT					
International Airports Revenue Bonds	44.6	36.4	81.1	0	44.6
STATE AGENCY DEBT					
Alaska Housing Finance Corporation					
Housing Mortgage Bonds	94.0	81.3	175.3	0	91.7
State Assisted Mortgage Bonds	1,103.8	1,370.3	2,474.1	0	1,077.5
Home Mortgage Bonds	571.9	817.3	1,389.2	0	544.7
Second Mortgage Bonds	13.1	24.7	37.7	0	11.0
Fairbanks North Star Borough Residential Mortgage Bonds	33.9	36.9	70.8	0	28.5
Notes Payable to the State of Alaska	25.5	N/A	N/A	0	25.5
Alaska Industrial Development Authority					
2% Certificates of Deposit originally issued by Alaska State Development Corporation	.1	0	.1	0	0
Alaska Municipal Bond Bank					
Coastal Energy Reserve Bonds	7.5	3.1	10.6	0	7.5
Coastal Energy Loan Bonds	17.3	16.1	33.3	0	17.3
Alaska Medical Facility Authority					
First Mortgage Hospital Revenue Bonds	10.7	8.9	19.6	0	10.4
Careage North Revenue Bonds	2.0	1.6	3.6	0	2.0
Alaska Power Authority					
General Obligation Bonds Series 1981	26.2	.7	26.9	0	0
Variable Rate Demand Notes (Terror Lake Hydroelectric Project)	115.0	6.3	121.3	0	115.0
Variable Rate Demand Notes (Lake Tye Hydroelectric Project)	50.0	.8	50.8	0	50.0
Notes Payable to State of Alaska	0	0	0	26.2	26.2
Alaska State Housing Authority					
Nunaka Valley, Marine View, and Section 8 New Construction Debt	20.0	31.3	51.3	0	N/A
Wrangell 221(d)3 Indebtedness	.5	.1	.6	0	N/A
HUD Notes Payable	31.7	Paid by HUD		0	N/A
Total State Agency Debt	2,123.2	2,399.4	4,522.4 <u>1/</u>	26.2	2,059.5

TABLE 1.7

State of Alaska
Outstanding Debt of the State and State Agencies

(Millions of Dollars)

	Principal Outstanding 6-30-84	Interest to Maturity 6-30-84	Total Debt Service to Maturity 6-30-84	Debt Issued 6-30-84 to 12-31-84	Principal Outstanding 12-31-84
STATE DEBT					
State of Alaska General Obligation Bonds	924.0	311.9	1,235.9	0	861.5
STATE SUPPORTED DEBT					
Alaska State Housing Authority Lease Revenue Bonds	54.4	14.8	69.2	0	47.4
University of Alaska Debt	22.8	14.9	37.7	0	22.6
Seward Student Service Center Commercial Lease Certificate of Participation in Rent	<u>0</u>	<u>0</u>	<u>0</u>	<u>6.0</u>	<u>6.0</u>
Total State Supported Debt	77.2	29.7	106.9	6.0	76.1
STATE GUARANTEED DEBT					
Alaska Housing Finance Corporation State Guaranteed Bonds (Veterans Mortgage Program)	702.8	1,064.1	1,766.9	0	691.6
STATE MORAL OBLIGATION DEBT					
Alaska Housing Finance Corporation					
Insured Mortgage Bonds	941.3	1,487.7	2,429.0	0	929.7
Insured Rural Mortgage Bonds	6.9	N/A	N/A	0	6.1
Alaska Industrial Development Authority					
Economic Development Bonds	107.3	169.7	277.0	26.2	131.4
Consolidated Bonds	48.0	86.4	134.4	24.3	72.4
Alaska Municipal Bond Bank					
1976 General Resolution General Obligation Bonds	105.8	84.8	190.6	16.4	120.6
1980 General Resolution General Obligation Bonds	9.3	9.2	18.5	0	9.3
Ketchikan Airport Revenue Bond	.4	.4	.8	0	.4
1982 General Resolution Revenue Bond	<u>4.2</u>	<u>2.8</u>	<u>7.0</u>	<u>0</u>	<u>4.2</u>
Total State Moral Obligation Debt	1,223.2	1,841.0	3,064.2 ^{1/}	66.9	1,273.0

ALASKA DEBT CALENDAR

March 1, 1985

<u>Date</u>	<u>Issuer</u>	<u>(\$ Millions)</u>	<u>Type</u>
MUNICIPAL ISSUES			
<u>1985</u>			
March	Mat-Su Borough	16.3	School GOB's
March 19	Anchorage	20.0	Water Utility Bond Anticipation Notes
Late March	Valdez	24.0	Bond Anticipation Notes
April	Homer	0.3	Local improvement district bonds
April	Homer	0.5	Local improvement district bonds
April	Homer	0.5	Sewer improvement district bonds
April 22	Kenai Peninsula Borough	8.9	General Obligation Refunding Bonds
April-May	North Slope Borough	147.4	General Obligation Refunding bonds
May	Juneau	2.0	Water and sewer GOB's
May	Juneau	3.7	Library and fire hall GOB's
May 14	Anchorage	14.0	COB's
Mid-May	North Slope Borough	65.7	Lower floater GOB's
May 27	Kenai Peninsula Borough	6.5	Hospital GOB's
June 4	Anchorage	20.6	Telephone Utility Bonds
June	City of Seward	15.0	Industrial Revenue Bonds (industrial center)
September	Anchorage	27.0	Electric Utility Bonds
October	Anchorage	20.0	Water Utility Bond
Fall	North Slope Borough	52.0	General Obligation Bond Anticipation Notes

STATE AGENCY ISSUES

1985

April	Alaska Industrial Development Authority	12.0-14.0	Umbrella bonds
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TABLE 1.21

Debt of Alaska Municipalities
6-30-84
(Dollars)

<u>Boroughs</u>	<u>G.O. Debt</u>	<u>Revenue Debt</u>	<u>Total Debt</u>	<u>School G.O. Debt</u>	<u>% of School Debt Paid by State</u>	<u>Net G.O. Debt</u>	<u>Total Net Debt</u>
ANCHORAGE, MUNICIPALITY OF	355,008,897	310,272,000	665,280,897	212,275,000	91%	161,838,647	472,110,647
BRISTOL BAY	3,665,000	-	3,665,000	3,665,000	90	366,500	366,500
FAIRBANKS NORTH STAR	85,300,000	-	85,300,000	82,115,516	94	8,111,415	8,111,415
Fairbanks City	10,590,000	37,320,000	47,910,000	-	-	10,590,000	47,910,000
North Pole	1,237,000	-	1,237,000	-	-	1,237,000	1,237,000
TOTAL	97,127,000	-	134,447,000	82,115,516	94	19,938,415	57,258,415
HAINES	555,000	-	555,000	555,000	100	-	-
Haines City	765,000	-	765,000	-	-	765,000	765,000
TOTAL	1,320,000	-	1,320,000	555,000	100	765,000	765,000
JUNEAU, CITY & BOROUGH	51,761,000	27,896,000	79,657,000	41,406,358	60	26,917,185	54,813,185
KENAI PENINSULA	120,339,750	-	120,339,750	106,615,000	94	20,121,650	20,121,650
Homer City	2,677,000	-	2,677,000	-	-	2,677,000	2,677,000
Kenai City	3,230,000	311,125	3,541,125	-	-	3,230,000	3,541,125
Seldovia City	397,000	-	397,000	-	-	397,000	397,000
Seward City	2,609,000	265,000	2,874,000	-	-	2,609,000	2,874,000
Soldotna City	3,016,000	-	3,016,000	-	-	3,016,000	3,016,000
TOTAL	132,268,750	576,125	132,844,875	106,615,000	94	32,050,650	32,626,775
KETCHIKAN GATEWAY	22,490,000	410,000	22,900,000	20,450,000	92	3,676,000	4,086,000
Ketchikan City	11,305,000	23,305,000	34,610,000	-	-	11,305,000	34,610,000
TOTAL	33,795,000	23,715,000	57,510,000	20,450,000	92	14,981,000	38,696,000
KODIAK ISLAND	30,025,000	-	30,025,000	29,725,000	83	5,353,250	5,353,250
Kodiak City	2,735,000	3,567,209	6,302,209	-	-	2,735,000	6,302,209
TOTAL	32,760,000	3,567,209	36,327,209	29,725,000	83	8,088,250	11,655,459
MATANUSKA-SUSITNA	78,855,716	327,613	79,183,329	78,340,000	93	5,999,516	6,327,129
Palmer City	2,028,000	303,000	2,331,000	-	-	2,028,000	2,331,000
TOTAL	80,883,716	630,613	81,514,329	78,340,000	93	8,027,516	8,658,129
NORTH SLOPE	1,203,440,000	-	1,203,440,000	143,822,000	91	1,072,561,980	1,072,561,980
SITKA, CITY & BOROUGH	13,220,000	68,797,970	82,017,970	2,129,000	100	11,091,000	79,888,970
 TOTAL BOROUGHS	 2,005,249,363	 472,774,917	 2,478,024,280	 721,097,874	 90%	 1,356,626,143	 1,829,401,060

TABLE 1.21 (continued)

<u>Cities</u>	<u>G.O. Debt</u>	<u>Revenue Debt</u>	<u>Total Debt</u>	<u>School G.O. Debt</u>	<u>% of School Debt Paid by State</u>	<u>Net G.O. Debt</u>	<u>Total Net Debt</u>
Bethel	1,155,856	-	1,155,856	-	- %	1,155,856	1,155,856
Cordova	1,434,800	1,510,955	2,945,755	445,000	100	989,800	2,500,755
Craig	89,000	-	89,000	-	-	89,000	89,000
Dillingham	68,000	307,277	375,277	-	-	68,000	375,277
Eagle	-	-	-	-	-	-	-
Galena	-	-	-	-	-	-	-
Hoonah	-	-	-	-	-	-	-
Hydaburg	-	-	-	-	-	-	-
Kake	90,000	-	90,000	-	-	90,000	90,000
King Cove	-	-	-	-	-	-	-
Klawock	-	-	-	-	-	-	-
Kotzebue	-	-	-	-	-	-	-
Nenana	2,869,000	-	2,869,000	-	-	2,869,000	2,869,000
Nome	300,000	-	300,000	-	-	300,000	300,000
Pelican	-	-	-	-	-	-	-
Petersburg	5,225,000	2,302,000	7,527,000	5,225,000	95	261,250	2,563,250
St. Mary's	-	-	-	-	-	-	-
Sand Point	-	-	-	-	-	-	-
Skagway	836,000	-	836,000	-	-	836,000	836,000
Tanana	-	-	-	-	-	-	-
Unalaska	5,392,375	438,570	5,830,945	3,367,472	90	2,361,650	2,800,220
Valdez	80,497,000	8,490,000	88,987,000	23,940,000	93	58,232,800	66,722,800
Whittier	-	-	-	-	-	-	-
Wrangell	3,395,000	528,222	3,923,222	2,355,000	90	1,275,500	1,803,722
Yakutat	238,800	-	238,800	-	-	238,800	238,800
Total Cities	101,590,831	13,577,024	115,167,855	35,332,472	93	68,767,656	82,344,680
Total Municipalities	2,106,840,194	486,351,941	2,593,192,135	756,430,346	90%	1,425,393,799	1,911,745,740

Sources: Annual reports of municipalities; Alaska Department of Education; and Alaska Taxable 1984, Alaska Department of Community & Regional Affairs.

subject to legislative appropriation. CP's are therefore not considered State debt and are not subject to voter approval.

d. Alaska Court System

Chapter 78, Session Laws of Alaska (SLA) 1984 authorized the Alaska Supreme Court to enter into a lease-purchase agreement for construction of a court facility in Anchorage. Financing might take the form of an ASHA or Municipality of Anchorage lease revenue bond, a CP, or private financing.

e. Municipal School Debt

Although it has many of the same hallmarks, the portion of municipal school debt paid by the State is not considered to be State supported debt. There is no contractual commitment by the State to make these payments. The State has in the past and may in the future appropriate less than the full amount to which the municipalities are entitled under statute. See section I.E.3. This does not jeopardize the security of the debt, as it might in the case of State supported debt, because the debt does have the full faith and credit of an issuer with taxing powers behind it, i.e., the municipality.

As of June 30, 1984, approximately \$756.4 million of municipal school debt was outstanding. The State was obliged to pay a weighted average of 90% of the debt service on this amount. The State's share of municipal school debt outstanding on June 30, 1984 was thus approximately \$680.8 million. If added to the total of State and State supported debt, the amount of the State's principal obligations on that date would have been \$1,682 million.

3. State Guaranteed Debt

In the 1982 general election voters approved an amendment to Article IX, Section 8 of the Alaska Constitution that permits the State to guarantee unconditionally as a general obligation of the State the payment of principal and interest on revenue bonds issued by AHFC for the purpose of purchasing mortgage loans made for residences of qualifying veterans. This is the only purpose for which State guaranteed bonds are issued. Because the bonds are general obligations of the State, they must be authorized by law, ratified

The current municipal GO debt level contrasts with the State's own general obligation indebtedness at the end of fiscal year 1984 of \$924 million. The general obligation bonds of municipalities comprise approximately 26 percent of the total amount of public debt outstanding in the State.

2. Revenue Bonds

In addition to general obligation debt that is supported by local taxes, cities and boroughs also issue debt that is supported by the revenues generated by the project financed through the issuance of debt. At the end of June 1984, approximately \$486.4 million in revenue bonds was outstanding.

Revenue bonds account for approximately 19 percent of all local debt outstanding in Alaska, compared with the national average of 60 percent. Some major municipal borrowers in Alaska have no revenue debt at all. Such borrowers include the Fairbanks North Star, Kenai Peninsula, and North Slope Boroughs.

In the boroughs mentioned, one reason for the lack of revenue debt may be the presence of oil and gas property. Under these circumstances, substituting GOB's for revenue bonds would transfer much of the debt burden that would otherwise fall on local users to, nominally, outside oil companies, but actually, to the State as a result of the fact that the State also taxes oil and gas property and allows a credit against tax liabilities for taxes paid to municipalities.

Historical figures on Alaska municipal GO and revenue debt as estimated by the Bureau of the Census are contained in Table 1.20.

3. School Debt

Under a program enacted in 1970 (Alaska Statutes 14.11.100), the State reimburses municipalities 50, 90, or 100 percent of cash expenditures on school construction and debt service on bonds issued to finance school construction. The percentage depends on the year in which the costs are incurred. The 50 percent limitation, enacted in 1983, applies to fiscal years after June 30, 1983. The higher percentages apply to earlier years. As of June 30, 1984 the average State reimbursement on municipal school debt outstanding stood at 90%.

As a result of this program, a major use for municipal general obligation debt has been to finance school

construction. As of June 30, 1984 municipalities in the state had approximately \$756 million in school construction debt outstanding (see Table 1.21). School construction debt comprises approximately 36 percent of all municipal general obligation debt.

Although the statute provides that the State will reimburse school districts 50, 90, or 100 percent of construction costs, the actual funding for the program is dependent on annual legislative appropriations to the school construction account. Historically, appropriations have usually been sufficient to fully fund the level of payments authorized by statute. When amounts in the account are insufficient, the available funds are allocated pro rata among the eligible school districts. Over the fiscal years 1981 to 1985 the program has been or will be funded at the following percent of entitlement due:

<u>Fiscal Year</u>	<u>Amount of Payments (1981-83) or Appropriations (1984-85)</u>	<u>Percent of Entitlement</u>
1981	\$38,380,134	100%
1982	38,262,156	100
1983	36,203,300	83
1984	59,887,800	100 estimated
1985	95,000,000	100 estimated

Full funding for FY86 is estimated to require an appropriation of \$106,500,000.

Table 1.21 presents general obligation, revenue, and school debt for Alaskan municipalities. A net GO and total debt figure is calculated assuming the State makes full payment of its share of school debt service. In that case, GO debt outstanding that is to be paid by municipalities falls to roughly \$1,425 million.

4. GO Debt Ratios

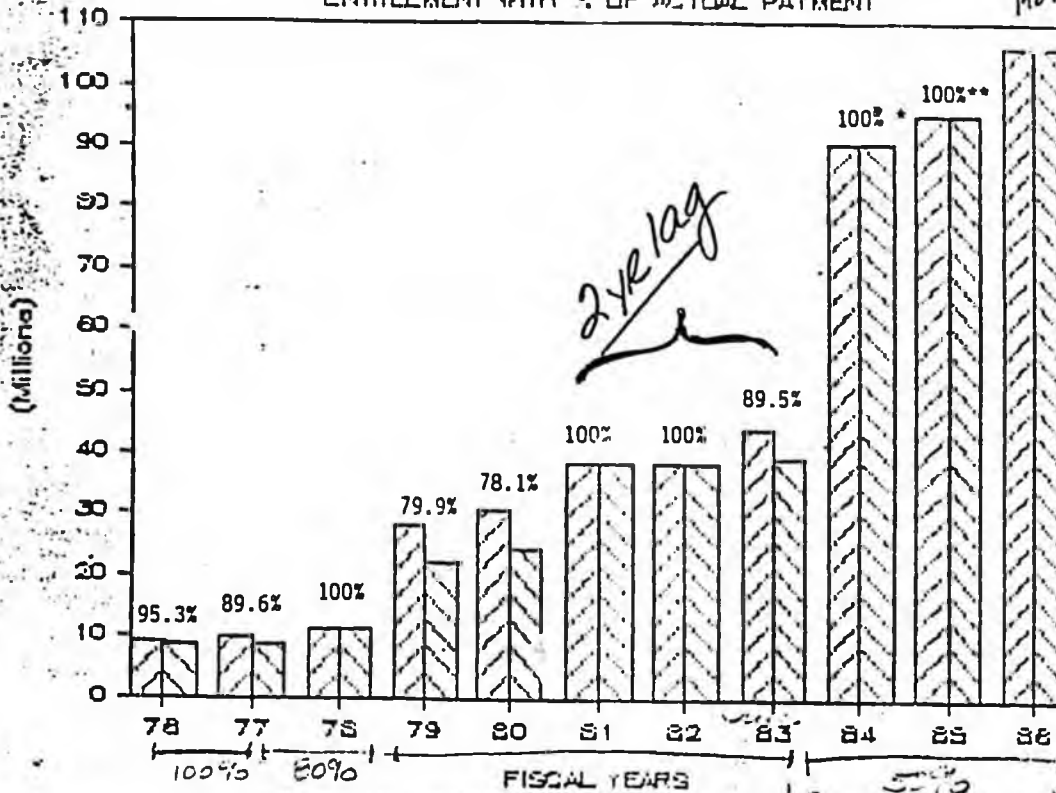
Tables 1.22 and 1.23 present ratios of municipal debt to population and to the estimated full value of property assessed for property taxation in Alaska and the U.S. as a whole. Alaska's sparse population leads to substantially higher debt ratios than U.S. medians. The presence of enormous oil and gas property values in certain municipalities has also contributed to higher debt loads.

5. Property Tax Limits

As indicated in Table 1.22, two municipalities which

MAR 19 1985

DEBT RETIREMENT FY-76 THRU FY-86
ENTITLEMENT WITH % OF ACTUAL PAYMENT



Entitlements: (Millions)

FY-76	\$ 8.81
FY-77	9.05
FY-78	11.41
FY-79	22.27
FY-80	24.08
FY-81	38.38
FY-82	38.26
FY-83	39.18
FY-84	90.60 *
FY-85	95.00 **
FY-86	106.50 ***

- * FY-84 figure includes encumbered funds.
- ** FY-85 figure is amount appropriated.
- *** FY-86 figure is budget request.

have to guess -
munis floating bond
interest
- NEW SALES

75% = \$3159
90% = \$351

CONCERNS RAISED AT APRIL 4, 1985 SENATE H.E.S.S. HEARING ON SB 51:

Clarify what constitutes "in kind" reimbursement, and how this provision would be applied. *in lieu of...*

P. 1, line 18
Marzo, Steve Holte, McKinnon

Revise the "need criteria" to require that a district have "inadequate facilities to meet projected needs", rather than requiring that a district have unhousted students.

P. 2, line 20
P. 5, line 7
less specific. Do we want to require a district to wait until it has unhousted students before applying for state \$?

Include "program costs" in those costs that must be identified to the public at the time bonds are sold or public notice is given.

P. 3, line 14
Teachers, etc. How anticipate? Have to decide if going to have music, sports, etc.

Amend last year's 50% reimbursement upward to 80% (would effect Kenai and Wrangell). Discussion centered around how to apply the eligibility criteria contained in SB 51 to projects that have already been approved.

P. 3, line 1
We're increasing the % because we're applying eligibility criteria! It's a trade-off.

Delete the provision which would reduce the State's reimbursement of a project by the amount of interest earned on the revenue of the bond issue.

P. 5, line 15
Amend Title 37 on local government bonding to require that legislative grants that go directly to municipalities for school construction be subject to the eligibility criteria contained in SB 51.

This would "require" the leg. to make line item appropriations based on eligibility criteria. Of course the leg. wouldn't be bound to follow this, so am. would have no effect except intent.

Replace the current debt retirement/grant system with a state bonding/local contribution system.

What's our bonding capacity?

Address the inequity that could result between a fully-bonded district eligible for a 90% grant and a non-fully-bonded district eligible for 80% reimbursement of a local bond issue.

Is no requirement that grant be for 100% of projects so could, in Dept's discretion, give grant for only 80%.

Clarify the procedure for distribution of funds (legislative participation in decisions to fund specific projects).

Way bill is set up, reimbursement fund & grant fund would both be "filled" by leg, & \$ allocated at Dept's discretion based on criteria in SB 51.


In practice, like it works now for debt retirement, fund is ~~only~~ filled by leg after a review of the Dept's proposals.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Senator Bettye Fahrenkamp, Chair
Members, Senate Health and Social Services Committee

FROM: Scott A. Burgess 
Executive Director

DATE: April 4, 1985

SUBJECT: State Aid for School Construction - SB 51, SB 143 and SB 159

On behalf of the Alaska Municipal League and its member municipalities, I urge the Committee and the 14th Legislature to assist municipalities in providing adequate State funding to meet the educational needs of Alaskans. The League urges the Legislature and the Governor to resume State aid to local governments for the retirement of school construction debt at the 90% level. The League also urges the Legislature to appropriate the total, State-approved school capital indebtedness incurred by municipalities. Without the appropriation, the authorization to resume the 90% funding of the bonded indebtedness is of little consequence.

The State of Alaska should assume full financial responsibility for the maintenance and operation of public schools for basic education. Full funding should not be used as a reason for the State to infringe upon the rights of local people to supplement State or federal funding or to administer local schools.

The League appreciates the significant problems facing the State and its people as a result of our declining revenue picture. With less State funding, coupled with proposed federal budget cuts, municipalities will be faced with increased taxes or user fees and reduced services. The education of our children is a paramount service of the State and a major portion of a municipal budget. Municipalities, with the help of the State, will continue to provide this and other basic services to our citizens at the least possible cost.

The League urges the Committee to work with the legislation before it to develop one piece of legislation which can best provide the financial assistance to municipalities to provide needed facilities, and, at a minimum, resumes the 90% level of debt reimbursement and, subsequently, appropriates adequate levels of funding.

Thank you.

**CHAPTER 31.
SCHOOL FACILITY PLANNING
AND CONSTRUCTION**

Section

- 10. Educational specifications
- 11. Advance planning of educational facilities
- 20. Guides for planning educational facilities
- 25. Site acquisition and selection
- 30. Review of school construction plans
- 40. Approval of school construction plans
- 50. Approval of purchase of nonschool facilities
- 60. State financial assistance
- 65. Selection of prime designer
- 70. Reimbursement of restructured or refinanced indebtedness
- 80. Construction of public school facilities
- 90. Definitions

4 AAC 31.010. EDUCATIONAL SPECIFICATIONS. The chief school administrator, under the director of the school board, is responsible for preparation of educational specifications for all new public elementary and secondary schools, and additions to and rehabilitations of existing facilities, for which state aid is sought. These educational specifications must include, as a minimum, the following:

- (1) the current year and five-year projected elementary and secondary enrollments to be served by the facility;
- (2) a statement of educational philosophy and goals for the facility;
- (3) the curriculum to be housed by the facility;
- (4) the activities that will be conducted in the facility;
- (5) the anticipated community uses of the facility;
- (6) the specific and general architectural characteristics desired;
- (7) the educational spaces needed, their approximate sizes in square feet, their recommended equipment requirements, and their space relationships to other facility elements;

(8) the size, use, and condition of existing school spaces in the facility;

(9) the recommended site and utility requirements; and

(10) the proposed budget and method of financing. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(11)	AS 14.11.020
AS 14.07.060	AS 14.11.100

4 AAC 31.011. ADVANCE PLANNING OF EDUCATIONAL FACILITIES. The chief school administrator, under the direction of the school board, is responsible for preparing a six-year capital improvement program, including annual updates, for all new public elementary schools, secondary schools, and education-related facilities, as well as for all additions to and rehabilitations of existing facilities, for which state aid is sought. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.020(11)	AS 14.11.020
AS 14.11.010	AS 14.11.100

4 AAC 31.020. GUIDES FOR PLANNING EDUCATIONAL FACILITIES. The following are the basic guides for educational facility planning:

(1) *The Guide for Planning Educational Facilities*, as published by the Council of Educational Facilities Planners, International, 1982 Edition (Revised);

(2) *Alaska Small High School Program and Space Guidelines*, as published by the Alaska Department of Education, 1983 Edition;

(3) *Alaska Small Elementary School Program and Space Guidelines*, as published by the Alaska Department of Education, 1983 Edition;

(4) *Department of Education Guidelines for School Equipment Purchases*, as published by the Alaska Department of Education, 1977 Edition;

(5) *Capital Improvement Priority System for Education*, as published by the Alaska Department of Education, 1983 Edition;

(6) *Elementary/Secondary and Combined Elementary - Secondary School Space Guidelines*, as published by the Alaska Department of Education, 1983 Edition; and

(7) *Water Safety Facilities and State Financial Aid*, as published by the Alaska Department of Education, 1983 Edition. (Eff. 3/1/78, Reg. 65; am 6/9/83, Reg. 86; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.010
AS 14.11.020
AS 14.11.100

4 AAC 31.025. SITE ACQUISITION AND SELECTION. (a) Acquisition of an educational facility site must be approved by the Department of Education (1) to be eligible for reimbursement under AS 14.11.100; or (2) if construction responsibility has been assumed under AS 14.11.020.

(b) If school construction, for which reimbursement will be sought under AS 14.11.100 occurs on a site which has not been approved under this section, the costs of land acquisition are not eligible for reimbursement. If the construction responsibility for a particular facility has been assumed by a school district under AS 14.11.020, no money may be spent for site acquisition or construction without site approval under this section.

(c) The purchase of a parcel of land identified as a potential school site must be investigated by the appropriate local governing body or the school district to determine its suitability in terms of educational plans, cost of acquisition, impact on cost of construction, size, accessibility, and other appropriate local criteria.

(d) This section applies to projects submitted for approval after December 2, 1983. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.020
AS 14.11.100

4 AAC 31.030. REVIEW OF SCHOOL CONSTRUCTION PLANS. (a) The elements of a plan for new construction, additions, and rehabilitations to be undertaken by a school district,

funded under AS 14.11.020, or for which reimbursement is sought under AS 14.11.100, must be submitted to the commissioner for his or her review and approval as they are developed and before any construction activity is initiated.

(b) For purposes of this section, "plan" includes the following:

- (1) educational specifications;
- (2) site investigation report;
- (3) schematic design documents;
- (4) design development documents;
- (5) final construction contract documents;
- (6) estimated cost and proposed means of financing the project;
- (7) proposed method of construction; and
- (8) estimated completion date of the project.

(c) Upon request of the chief school administrator, the commissioner may, in his or her discretion, waive submission of those elements of a plan which are not applicable to a proposed school project. Further, a variance of not more than 10 square feet per student may, in the commissioner's discretion, be granted for square footage allocations as referenced in 4 AAC 31.020, for the rehabilitation of or an addition to an existing facility. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.020
AS 14.11.100

4 AAC 31.040. APPROVAL OF SCHOOL CONSTRUCTION PLANS. (a) Before commencing construction activity under AS 14.11.020, or construction activity for which reimbursement will be sought under AS 14.11.100, a school district or a regional school board must secure the approval of the commissioner of the final working documents for the project as follows:

- (1) if construction contract bids are to be invited for the project, the final contract

documents must be submitted to the commissioner at least 15 working days before the bid invitation is made; and

(2) if the project will not be advertised for bids, the final working documents must be submitted to the commissioner no later than 10 working days before commencing each construction phase.

(b) The commissioner's approval under this section is void after two years unless construction of the project has been initiated within that time. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.020
AS 14.11.100

4 AAC 31.050. APPROVAL OF PURCHASE OF NONSCHOOL FACILITIES. A regional school board proposing to purchase an existing facility for temporary use as an elementary or secondary school with money granted under AS 14.11.020, and a municipality that is a school district proposing to make such a purchase for which state aid under AS 14.11.100 will be sought, must secure the approval of the commissioner before acquisition of the facility. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.010
AS 14.11.020
AS 14.11.100

4 AAC 31.060. STATE FINANCIAL ASSISTANCE. (a) A municipality that is a school district, or a regional school board, submitting a capital improvement program request for construction to the department under AS 14.11.010 shall make the request on a form prescribed by the commissioner.

(b) A municipality that is a school district, or a regional school board, requesting a school construction grant from the department under AS 14.11.020 shall apply on a form prescribed by the commissioner. In accepting a school construction grant from the department, the grantee shall comply with all pertinent state statutes, codes, standards, and regulations related to construction of a public facility. Further, the

grantee shall comply with conditions, requirements, and stipulations in the forms prescribed by the commissioner for the construction grant contract.

(c) A school facility for which state aid is sought under AS 14.11.100 may be built jointly with municipal and state offices, health clinics, community libraries, and other spaces if approved by the commissioner as to compatibility and separation of funds. The commissioner has final authority to determine the proportion of space and cost in such jointly built projects.

(d) A claim for state aid for school construction under AS 14.11.100 by a municipality that is a school district must be made on a form prescribed by the commissioner. All claims for expenditures for school construction commenced before January 1, 1982 or existing facilities approved for purchase by the commissioner before January 1, 1982 must be supported by a certified audit report of the school district prepared in accordance with 4 AAC 06.120, and by a certified audit report of all school construction accounts or money used by the municipality. If an audit report is not prepared in sufficient detail to identify clearly school construction costs as opposed to other construction or maintenance costs, or debt service costs of school construction as opposed to other debt service costs, detailed expenditure schedules that reconcile to audit report figures must be prepared and submitted with the claim.

(e) A claim for state aid under AS 14.11.100 (a)(4)(A) must be submitted on a form prescribed by the commissioner, and must be received by the department not later than September 15 of the fiscal year preceding the fiscal year in which reimbursement will be sought. A school district's claim must contain at least the following:

- (1) bond sale date or proposed bond sale date;
- (2) bond redemption schedule;
- (3) education facility portion of the bond;
- (4) department's project approval number;

(5) debt payment schedule or estimated debt service schedule; and

(6) certification as to accuracy of claim by a bonded official of the municipality.

(f) State aid to eligible municipalities will be calculated on the basis of applications received by the deadline imposed by this section and will be issued upon receipt of a notice of payment by the municipality from the bond holder or paying agent.

(g) Only cash disbursements from locally generated revenues are eligible for reimbursement under AS 14.11.100.

(h) Unless a claim is supported by financial schedules or prior year audit reports identifying the original source of revenue, only disbursements from revenues generated in the year for which the claim is made are eligible for reimbursement.

(i) Reimbursement for rehabilitation costs under AS 14.11.100 is limited to projects exceeding \$25,000. (Eff. 3/1/78, Reg. 65; am 2/24/83, Reg. 85; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.010
AS 14.11.100

4 AAC 31.065. SELECTION OF PRIME DESIGNER. If a school district or a regional school board determines that it is necessary to engage the services of a private consultant to design an educational facility funded under AS 14.11.020, the selection of the consultant must be accomplished under procedures that comply with AS 36.98. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.060
AS 14.11.020

4 AAC 31.070. REIMBURSEMENT OF RESTRUCTURED OR REFINANCED INDEBTEDNESS. (a) Reimbursement under AS 43.18.100 for payment of restructured or refinanced school construction indebtedness may not exceed the amount which would have been payable on the indebtedness in the year for which reimbursement is claimed had the indebtedness not been restructured or refinanced.

(b) This section applies to bonds, notes, and other indebtedness restructured or refinanced after December 30, 1982. (Eff. 12/30/82, Reg. 85)

Authority: AS 14.07.020
AS 43.18.100

4 AAC 31.080. CONSTRUCTION OF PUBLIC SCHOOL FACILITIES. (a) The construction of all public educational facilities by a municipality that is a school district or by a regional school board under AS 14.11.020 must be performed under bid contract in accordance with AS 35.15.010. However, when the estimated cost of the construction project is less than \$100,000 or when it appears to be in the best interests of the state, the school district or regional school board may, in its discretion, and with the prior approval of the commissioner, construct the public educational facility itself using its own employees.

(b) The grantee shall provide a procedure for the administrative review of complaints filed by aggrieved bidders which allows aggrieved bidders to appeal, within five days after the award, for a hearing, with notice to all interested parties, for a redetermination and final award in accordance with law.

(c) The award of a contract for the construction of an educational facility funded under AS 14.11.020 must be to the lowest responsible bidder without regard to municipal ordinances or school board resolutions granting a preference to local bidders. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.060
AS 14.11.020

4 AAC 31.090. DEFINITIONS. As used in this chapter and in AS 14.07, AS 14.08, and AS 14.11, unless the context requires otherwise

(1) "addition" means new space for expanded educational programs or new programs or space that replace substandard or destroyed space, by connection to an existing school facility; the term includes capital equipment;

(2) "capital equipment" means built-in and movable equipment used to furnish a newly constructed or rehabilitated space; it includes first-time purchase of library books, reference

material, and media to furnish a new or renovated library; it does not include supply items such as textbooks and expendable commodities; the term is further defined in the *Department of Education Guidelines for School Equipment Purchases*, 1977 Edition;

(3) "commissioner" means the commissioner of the Department of Education;

(4) "elementary and secondary schools" means buildings that have been built or converted predominantly for instruction of elementary and secondary students as defined in *Alaska Small Elementary Program and Space Guidelines*, 1983 Edition, and *Alaska Small High School Program and Space Guidelines*, 1983 Edition, or, for schools designed to house more than 500 students, not more than 100 gross square feet per student in kindergarten through eighth grade and not more than 150 gross square feet per student in the 9th through the 12th grade, and buildings for the support of that instruction;

(5) "locally generated revenues" means all revenue of the municipality excluding state and federal money provided to the municipality except money provided under AS 14.11.100 and AS 43.50.140;

(6) "new school construction" means space for educational programs which have not been previously offered, space that replaces a substandard or destroyed school building, or space for an expanded enrollment in the facility, by construction or reconstruction of a detached school facility of any size, with related capital equipment;

(7) "rehabilitation" means adapting an existing facility to improve the opportunity to provide a contemporary educational program; and includes major remodeling, repair, renovation, and modernization with related capital equipment;

(8) repealed 12/2/83;

(9) "education related facility" means any capital project designed to provide support services for students and for staff, but does not include employee or student housing. (Eff.

3/1/78, Reg. 65; am 6/9/83, Reg. 86; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(1) and (7)
AS 14.07.060
AS 14.11.010
AS 14.11.020
AS 14.11.100(b)

Editor's Note: The publications mentioned in 4 AAC 31.090(2) and (4) may be obtained from the Department of Education, Pouch F, Juneau, Alaska 99811.

TO: Members of the House HESS Committee
FROM: Deborah Niedermeyer, Committee Aide
DATE: 12 April, 1985
RE: Provisions NOT in the draft CS for HB 191

Below are suggestions from various sources for provisions which might be included in HB 191

Establishing priorities, page 1-2:

Although the priorities are numbered, they are not listed in order of importance. There is no order of importance in current law. There has been a suggestion that either the bill make it clear that the priorities are not listed by order of importance, or specifically list them in that order.

October 15 deadline:

Although this would seem to be good long-term policy, the language on p. 5 lines 25-26 works against districts such as Mat-Su which need to put bond issues on the ballot this coming fall. Perhaps we need this part to go into effect in a year's time.

Interest earned on revenue:

✓ OMB thinks the state would save more money if this section were replaced with the words

"The municipality must use interest earnings of the bond issue to reduce the outstanding principle of the bond issue."

Evaluation of projects:

✓ One half of all school construction projects in the state are not financed by grants or bonding at all, but by municipal revenue sharing. OMB suggests that school projects funded in this manner also be subject to the unhoused students or health and safety and "no frills" criteria we have set up for debt reimbursement. This would further restrict a municipality's ability to build a luxury school.

Difficulty in reading:

It has been pointed out that the entire school financing statute is difficult to read and understand, particularly for school administrators who may not have legal or legislative background. The law would become even more difficult if the changes proposed by HB 191 were added. Perhaps there is a way to rewrite the entire statute for readability.

*Assume
Cash payments - la. deadline
& same standards*

CSHB 191 (HESS)
State Aid for School Construction

The Committee Substitute:

- 1) Establishes a school construction grant account. (This just gives a name to a program which already exists in AS 14.11.010)
- 2) Requires school districts to apply for school construction grants no later than October 15 of the fiscal year before the year for which the request is made. (Solves a timing problem the department has had.)
- 3) In setting priorities, the department must consider certain factors listed in AS 14.11.010. The CS adds local contribution to education financing to this list but does not specifically mention mil rates. }
-LARSON'S LANGUAGE, NOT INCLUDED IN SENATE CS (wording may change)
- 4) Sets out the new eligibility requirements a district must meet to receive a school construction grant. A district must
 - agree to an appropriately-sized facility (this meets the subcommittee's no-frills standard)
 - give public notice of the project,

AND EITHER

- demonstrate to the commissioner the need for the project by a projected long-term student enrollment that indicates that without the construction the school district will have and will continue to have unhoused students, (Larson's concern)

addC >

OR

- need more than \$25,000 to meet health and safety regulations or building codes.

THE LANGUAGE FOR THE LAST TWO POINTS IS SUBSTANTIALY THE SAME AS, BUT MORE SPECIFIC THAN THE SENATE CS.

- 5) Grant money may not be used for residential space, hockey rinks, planetariums, saunas, and other single purpose sporting facilities except for a small swimming pool or other water sports facility. (EXISTING LAW)

- 6) Amends the existing school construction debt retirement program by raising the percent of state contribution from 50% to 80% of a municipality's bonded indebtedness authorized after June 30, 1983. This also applies to cash payments. X
- 7) Imposes the same restrictions on the debt reimbursement program as are imposed for the grant program.
- 8) Sets out the requirements a municipality must meet before debt may be retired for 80 percent.

Current law: (1) The Commissioner of Education must approve the project before the local vote on the bond issue

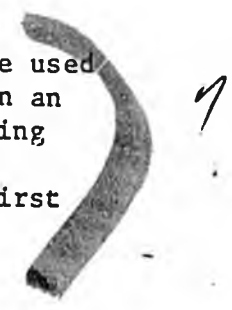
- (2) In approving the project, the commissioner must require the municipality to include the estimated costs on the ballot, and provide for repayment of the bonds over a period of at least 10 years

Added by CS

- (1) Annual maintenance and operating costs of the project must be included on the ballot for the bond issue
- (2) The district must demonstrate the need for the project again based on housing and need for replacement (same language as used in (4) above).

NOTE: These requirements do not apply to projects that have received approval before the effective date of this act.

- 9) Provides that the state's 80 percent allocation to a project be reduced by the amount of interest earned on the revenue of the bond issue for the project. (From Senate CS) X
- 10) Requires that reimbursement projects undergo prioritization by the commissioner as is done for grant projects (this would include the new factor considering local contributions and the no frills regulations.)
- 11) Requires that application for reimbursement be made no later than October 15 of the fiscal year before the year for which the request is made. (DOE's suggestion again.)

- 12) Redefines "school district" to include both municipal districts and REAAs.
 - 13) Requires that when funds from state grants and bonds are used the amount of reimbursement for the bonds will be 50% on an amount equal to the grant amount and 80% for the remaining funds.
LARSON'S LANGUAGE, NOT INCLUDED IN SENATE CS (or this first draft due to drafter error).
- 

Offered 2/28/81
Referred to Finance

Original sponsors: Pestinger and Larson

Didn't pass.

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 492 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND 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 14.11.010(d) is amended to read:

10

(d) The provisions of this section do not affect a municipal-

11

ity's eligibility for reimbursement under AS 14.11.200 [AS 14.11.100].

12

* Sec. 2. AS 14.11 is amended by adding new sections to read:

13

Sec. 14.11.200. STATE GRANTS FOR SCHOOL CONSTRUCTION. (a) The

14

department shall grant to a municipality that is a school district 90

15

percent of the cost of a school construction project if the department

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approves the project under AS 14.07.020(11) and determines that the

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project is eligible for a grant under this section.

18

(b) The school construction grant account is established

19

consisting of funds appropriated to the account and interest earned on

20

those funds. The department shall use funds in the account to carry

21

out the purposes of this section. Any portion of a grant to a

22

municipality that is not used to carry out the purposes of this

23

section shall be returned to the account.

24

(c) In establishing priorities to determine projects eligible for

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grants under this section, the department shall evaluate the following

26

factors:

27

(1) priorities assigned by the assembly, council, or school

28

board to the projects requested;

29

(2) emergency requirements;

- 1 (3) the number of students without classroom space;
2 (4) new local elementary or secondary programs;
3 (5) existing regional, community, and school facilities and
4 the condition of the facilities;
5 (6) the economic and social stability of the municipality
6 or region.

7 (d) To be eligible for a grant under this section, a municipal-
8 ity must receive authorization for the project from the qualified
9 voters of the municipality and pay at least 10 percent of the cost of
10 school construction with cash or the proceeds of bonds issued through
11 the municipal bond bank authority (AS 44.85).

12 (e) In this section, "cost" means the cost of acquiring, con-
13 structing, enlarging, repairing, remodeling, equipping or furnishing
14 of public elementary and secondary school buildings and includes the
15 sum total of all costs of financing and carrying out the project;
16 these include, but are not limited to, the costs of all necessary
17 studies, surveys, plans and specifications, architectural, engineering
18 or other special services, acquisition of real property, site prepara-
19 tion and development, purchase, construction, reconstruction and
20 improvement of real property and the acquisition of machinery and
21 equipment as may be necessary in connection with the project; an
22 allocable portion of the administrative and operating expenses of the
23 grantee; the cost of financing the project, including premiums on
24 insurance and legal fees.

25 (f) An allocation under this section for school construction
26 begun after July 1, 1984, shall be reduced by the amount of money used
27 for the construction of residential space, hockey rinks, planetariums,
28 saunas, and other facilities for single purpose sporting or
29 recreational uses that are not suitable for other activities. An

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

9 Sec. 14.11.210. REPORTS. The commissioner shall provide an
10 annual report to the legislature that includes information about the
11 balance remaining in the school construction account at the end of
12 each fiscal year and the use of the funds in the account for the
13 fiscal year.

14 Sec. 14.11.220. APPLICATION FOR GRANTS. (a) The commissioner
15 shall prescribe by regulation the necessary requirements, forms, and
16 procedures to be used in applying for construction grants under
17 AS 14.11.200 - 14.11.220.

18 (b) A municipality that is a school district seeking a
19 construction grant shall apply to the department by October 15 of the
20 previous fiscal year.

21 (c) Based on the commissioner's review of applications and
22 determination of project eligibility, the commissioner shall recommend
23 to the governor an appropriation of funds for construction grants
24 under AS 14.11.200 - 14.11.220.

25 * Sec. 3. AS 29.58.345 is amended to read:

26 Sec. 29.58.345. BONDED INDEBTEDNESS FOR SCHOOL CONSTRUCTION. A
27 home rule city levying property taxes for schools, upon furnishing
28 proof satisfactory to the Department of Education and the Department
29 of Community and Regional Affairs of the needs for school facilities

1 that [WHICH], if provided, will require the city to exceed limits on
2 authorizing or issuing bonds which may be established by charter, may
3 exceed the limits to the extent necessary to pay the cost [COSTS] of
4 school construction. In this section "cost" ["COSTS OF SCHOOL
5 CONSTRUCTION"] means cost [COSTS] as defined in AS 14.11.200(e)
6 [AS 43.18.100(g)(2)].

7 * Sec. 4. AS 29.73.070(a) is amended to read:

8 (a) If a municipality levies and collects real or personal
9 property taxes, the governing body shall provide the following notice:

10 "NOTICE TO TAXPAYER

11 For the current fiscal year the (city) (borough) has been allocated
12 the following amount of state aid for school and municipal purposes
13 under the applicable financial assistance Acts:

14 PUBLIC SCHOOL FOUNDATION PROGRAM AS-	
15 SISTANCE (AS 14.17)	\$
16 STATE AID FOR RETIREMENT OF SCHOOL	
17 CONSTRUCTION DEBT (AS 14.11.100)	\$
18 <u>STATE GRANTS FOR SCHOOL CON-</u>	
19 <u>STRUCTION (AS 14.11.200)</u>	\$
20 MUNICIPAL TAX RESOURCE EQUALIZATION AS-	
21 SISTANCE (AS 29.88)	\$
22 STATE AID FOR MISCELLANEOUS MUNICIPAL	
23 SERVICES (AS 29.89)	\$
24 TOTAL AID	\$

25 The millage equivalent of this state aid, based on the dollar value of
26 a mill in the municipality during the current assessment year and for
27 the preceding assessment year, is:

28	MILLAGE EQUIVALENT	
29	PREVIOUS YEAR	THIS YEAR

1	PUBLIC SCHOOL FOUNDA-		
2	TION PROGRAM AS-		
3	SISTANCE	....MILLS	....MILLS
4	STATE AID FOR RETIRE-		
5	MENT OF SCHOOL CON-		
6	STRUCTION DEBT	....MILLS	....MILLS
7	<u>STATE GRANTS FOR</u>		
8	<u>SCHOOL CONSTRUCTION</u>	<u>....MILLS</u>	<u>....MILLS</u>
9	MUNICIPAL TAX RESOURCE		
10	EQUALIZATION ASSISTANCE	....MILLS	....MILLS
11	STATE AID FOR MISCELLANEOUS		
12	MUNICIPAL SERVICES	....MILLS	....MILLS
13	TOTAL MILLAGE EQUIVALENT	....MILLS	....MILLS"

14 Notice shall be provided

15 (1) by furnishing a copy of the notice with tax statements
16 mailed for the fiscal year for which aid is received; or

17 (2) by publishing in a newspaper of general circulation
18 within the municipality a copy of the notice once each week for a
19 period of three successive weeks, with publication to occur not later
20 than 45 days after the final adoption of the municipality's budget.

21 * Sec. 5. AS 14.11.100(a)(5) and 14.11.100(j) are repealed except that
22 they remain in effect with respect to school construction projects for
23 which

24 (1) construction began before July 1, 1984; or

25 (2) bonds, notes, or other indebtedness have been authorized by
26 the qualified voters of a municipality after June 30, 1983, and before July
27 1, 1984.

28 * Sec. 6. AS 14.11.105 - 14.11.135 are repealed.

29 * Sec. 7. This Act takes effect July 1, 1984.

breath test by a law enforcement officer at the scene of an incident.

SB 51, Relating to state aid for school construction.

SB 51 received a preliminary hearing by the Senate HESS Committee on March 21, 1985. A draft committee substitute, which would base eligibility for state funding on project need, has been prepared. In addition, the existing grant program would be amended to require a 10% local contribution; the existing debt retirement program would be amended to allow 80% state reimbursement. Expenditure of state funds would be prohibited for specific single purpose facilities.

A summary and sectional analysis are attached.

SCR 3, Background checks on school district employees who come into contact with children.

SCR 3, which urges local school districts to implement background checks on employees who come into contact with children, has been scheduled for committee action. A committee substitute, which clarifies that "employees" includes those under contract with school districts (such as bus drivers), has been prepared.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Health, Education and Social Services

TO: Senate HESS Committee Members
FROM: Senate HESS Committee Staff
RE: School Construction
DATE: March 20, 1985

In addition to SB 51 and SB 159, which both relate to state aid for school construction, the following bills have been introduced:

- SB 107 (V. Fischer) In Senate HESS
\$87.4 million to Anchorage school capital projects.
- SB 153 (V. Fischer) In Senate State Affairs
\$22.0 million to Anchorage school capital projects.
- SB 174 (DeVries) In Senate HESS
\$730,000 to Chugach school capital projects.
- SB 178 (De Vries) In Senate HESS
\$26.9 million to Kenai school capital projects.
- SB 183 (De Vries) In Senate HESS
\$53.0 million to Mat-Su school capital projects.
- HB 131 (Cotten) In House Finance
\$87.4 million to Anchorage school capital projects. (Same as SB 107)
- HB 191 (Cotten) In House HESS
Increases reimbursement level to 90%. (Same as SB 51.)
- HB 220 (Taylor) In House HESS
Increases reimbursement level to 90% for debt incurred during FY 84 only.
- HB 254 (Larson) In House HESS
Increases reimbursement level to 80% if the project being funded is for housing students that would otherwise have to be double shifted or housed in portable buildings, and the district's local contribution over the last 3 years has exceeded 3 mills.

SB 147

FEB 26 1985



Matanuska-Susitna Borough

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

DEPARTMENT OF FINANCE

February 21, 1985

Senator Jalmar Kerttula
Pouch V (Mail Stop 3100)
Juneau, Alaska 99811

Dear Senator Kerttula:

I have recently had opportunity to review Senate Bill 51 and would like to share some of my thoughts on the subject of funding of capital construction for education with you.

The single most important service provided to the citizens of a second class borough (or any other class borough) in Alaska is that of primary and secondary education for the children who reside there.

The Matanuska-Susitna Borough has a long history of bonding itself to provide funds for the construction of necessary schools. This history actually goes back further than the existence of the Borough itself. Currently the Borough has \$113,275,222 of bonded debt outstanding; of which \$112,905,000 is for schools. The total debt for all other purposes combined is \$370,222 or .3%.

Growth rate in this Borough in terms of school ADM for the last three years is 17.3%, 21.7% and 15.5% This rate of growth is, I believe, unequaled in the entire state. Using the standards of educators on optimum size for primary and secondary schools, this growth equals the need for two primary or one secondary school per year just to keep pace with the growth.

The Matanuska-Susitna Borough School District currently has approximately 55 portable classrooms in service, trying to keep up with our need for classroom space.

Simple logic would indicate that the areas of most rapid growth are also areas most in need of financial assistance in constructing needed facilities.

Any help you can render us in improving our financial ability to provide needed schools will be very much appreciated. Thank you.

Sincerely,

Vern Roberts
Finance Director

nm
cc: Representative Ronald Larson
cc: Representative Katie Hurley
cc: Senator Edna DeVries

Introduced: 2/27/85
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2

SENATE RESOLUTION NO. 2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Relating to the emergency situation in the

6

Matanuska-Susitna school district.

7 BE IT RESOLVED BY THE SENATE:

8

WHEREAS the Matanuska-Susitna school district has had the greatest
9 influx of students of any district in the state; and

10

WHEREAS the Matanuska-Susitna school district has consistently
11 contributed heavily to school support and is bonded to near capacity; and

12

WHEREAS the industrial tax sector upon which the parents of students
13 in the district depend for employment is not in the Matanuska-Susitna
14 Borough; and

15

WHEREAS the students are already double shifting and it is expected
16 that present students will have to double shift and may also be required to
17 attend summer school through their twelve years of elementary and secondary
18 education;

19

BE IT RESOLVED by the Senate that the Matanuska-Susitna school
20 district, the third largest district in the state, is in a state of
21 emergency; and be it

22

FURTHER RESOLVED that the governor is requested to immediately declare
23 a school emergency and allocate \$40,000,000 to the Matanuska-Susitna
24 borough for impact school construction and to develop a formula for state
25 school construction based on emergency impact criteria.

STATE OF ALASKA-DEPARTMENT OF EDUCATION
 AVERAGE DAILY MEMBERSHIP (FINAL)
 FISCAL YEARS 1979-1984
 REGULAR MEMBERSHIP TOTALS

Fiscal Note SB 51

03/15/85 (Steve Hole/Robert Davis)

Sandra

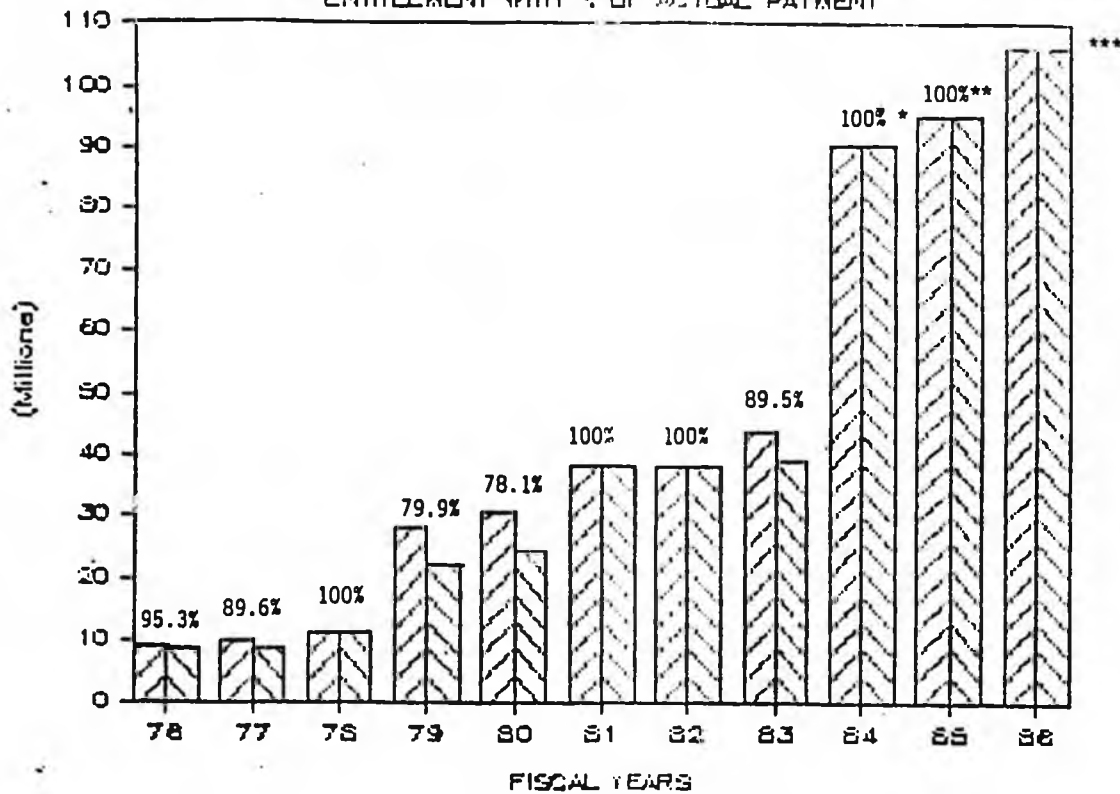
SCHOOL DISTRICT	AVERAGE DAILY MEMBERSHIP FY1979	AVERAGE DAILY MEMBERSHIP FY1980	AVERAGE DAILY MEMBERSHIP FY1981	AVERAGE DAILY MEMBERSHIP FY1982	AVERAGE DAILY MEMBERSHIP FY1983	AVERAGE DAILY MEMBERSHIP FY1984	PERCENTAGE (+ or -) FY84 TO FY83
ADAK	542	569	597	594	593	592	99.8314%
ALASKA GATEWAY	439	436	471	478	473	472	99.7886%
ALEUTIAN REGION	244	118	109	114	121	123	101.6529%
ANCHORAGE	34,200	32,429	32,121	33,307	34,602	35,632	102.9767%
ANNETTE ISLAND	342	336	352	351	341	377	110.5572%
BERING STRAIT	451	441	430	583	928	1,009	108.7284%
BRISTOL BAY	215	209	214	208	212	291	94.8113%
CHATHAM	187	218	195	207	261	293	112.2605%
CHRUSACH	54	54	53	75	85	88	103.5294%
COPPER RIVER	639	612	586	555	566	572	101.0601%
CORDOVA	490	462	439	413	430	395	91.8605%
CRAIG	168	141	178	171	146	137	93.8356%
DELTA GREELY	852	857	842	887	940	980	104.2553%
ELLINGSMITH	397	379	377	372	375	411	109.6000%
FAIRBANKS	8,761	8,338	8,457	8,851	9,750	9,375	104.4267%
GALENA	158	165	143	135	142	146	102.8169%
HAINES	401	396	401	371	380	366	96.3158%
HOONAH	248	224	208	225	237	228	96.2025%
HYDABURG	99	85	84	88	93	100	107.5269%
IDITAROD	291	300	310	313	321	311	96.8847%
JUNEAU	4,185	4,015	3,921	3,979	4,332	4,360	100.6464%
KAK	109	195	182	188	191	204	106.8043%
KENAI	3,615	3,784	3,988	4,289	4,744	5,225	107.1322%
KETCHIKAN	2,432	2,432	2,378	2,331	2,364	2,401	101.5651%
KING COVE	118	120	114	132	103	97	94.1748%
KLANOCK	79	82	103	97	139	135	97.1223%
KODIAK	2,071	2,090	2,027	2,026	2,128	2,116	99.4361%
KUSPUK	319	347	351	330	327	337	103.0581%
LAKE & PENINSULA	376	362	328	325	348	361	103.7356%
LOWER KUSKOKWIM	1,592	1,671	1,785	1,856	2,411	2,472	102.5301%
LOWER YUKON	891	1,017	1,134	1,190	1,394	1,362	98.4104%
KAT-SU	4,175	4,356	4,406	4,835	5,572	6,303	121.2024%
KENAI	209	216	198	202	125	115	92.0000%
KORE	754	716	708	690	731	781	106.8399%
NORTH SLOPE	1,076	1,038	1,043	1,041	1,028	1,043	101.4591%
NORTHWEST ARCTIC	1,473	1,435	1,420	1,478	1,486	1,491	100.3365%
PELICAN	37	37	40	51	48	54	112.5000%
PETERSBURG	553	547	562	556	572	591	103.3217%
PRIBILOF	169	159	164	172	167	166	99.4012%
RAILBELT	361	337	328	335	325	308	94.7692%
SAND POINT	0	129	109	106	124	107	86.2903%
SITKA	1,683	1,671	1,656	1,634	1,583	1,582	99.9368%
SKAGWAY	199	176	177	190	169	152	89.9408%
SOUTHEAST ISLAND	389	374	413	420	430	432	100.4651%
SOUTHWEST REGION	475	496	449	484	521	513	98.4645%
ST. MARY'S	100	94	91	90	107	109	101.8692%
TANANA	0	0	0	0	97	75	77.3196%
UNALASKA	140	160	195	177	171	144	84.2105%
VALDEZ	793	746	849	830	842	811	96.3167%
WRANGELL	455	479	485	485	480	453	94.3750%
YAKUTAT	159	156	144	152	155	158	101.9355%
YUKON FLATS	332	336	285	314	312	316	101.2921%
YUKON-KOYUKUK	624	591	589	567	557	577	103.5907%

enrollment is actually higher than Ann for all but Pelican

TOTALS 81,211 79,135 79,179 81,850 86,794 90,174

DEBT RETIREMENT FY-76 THRU FY-86

ENTITLEMENT WITH % OF ACTUAL PAYMENT



Expenditures:

Entitlements: (Millions)

FY-76	\$ 8.81
FY-77	9.05
FY-78	11.41
FY-79	22.27
FY-80	24.08
FY-81	38.38
FY-82	38.26
FY-83	39.18
FY-84	90.60 *
FY-85	95.00 **
FY-86	106.50 ***

* FY-84 figure includes encumbered funds.

** FY-85 figure is amount appropriated.

*** FY-86 figure is budget request.

State of Alaska
Enrollment Compared to Average Daily Membership
By District, Revised FY84

<u>District</u>	<u>Enrollment</u>	<u>ADM</u>
Adak Region	603	606.5
Alaska Gateway	487	486.2
Aleutian Region	126	123.9
Anchorage	37,422	35,851.8
Annette Island	385	382.7
Bering Strait	1,024	971.6
Bristol Bay	210	203.0
Chatham	295	280.1
Chugach	98	94.9
Copper River	585	575.1
Cordova	401	406.4
Craig	149	155.0
Delta/Greely	983	974.8
Dillingham	470	410.6
Fairbanks	10,404	9,907.7
Galena	145	142.9
Haines	370	366.4
Hoonah	226	228.7
Hydaburg	105	102.3
Iditarod	321	316.5
Juneau	4,589	4,429.3
Kake	207	205.4
Kenai	7,572	7,221.8
Ketchikan	2,524	2,415.0
King Cove	97	101.5
Klawock	141	135.4
Kodiak Island	2,229	2,142.5
Kuspuk	337	327.4
Lake & Peninsula	354	371.4
Lower Kuskokwim	2,486	2,487.2
Lower Yukon	1,379	1,383.5
Mat-Su	7,172	6,854.2
Nenana	115	121.4
Nome	795	757.1
North Slope	1,071	1,073.7
Northwest Arctic	1,531	1,515.0
Pelican	54	54.7
Petersburg	628	600.3
Pribilof	165	165.5
Railbelt	318	316.6
St. Mary's	114	112.8
Sand Point	110	109.7
Sitka	1,674	1,590.3
Skagway	151	153.7
Southeast Island	449	448.9
Southwest Region	520	519.7
Tanana	83	81.1
Unalaska	150	151.6
Valdez	829	839.9
Wrangell	482	462.9
Yakutat	164	162.1
Yukon Flats	335	323.7
Yukon/Koyukuk	587	583.0
Central Correspondence	710	895.0

1982-83 FINAL ENROLLMENT ALASKA CITY DISTRICTS

DISTRICT	PRE-ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ANCHORAGE	115	2622	2857	2495	2645	2645	2707	2972	3309	3044	2703	2660	2467	2405	19058	16588	35646
On-Base	139	418	450	430	399	384	309	348	0	0	0	0	0	0	2917	0	2917
Contract	20	3	2	3	6	3	18	13	17	16	34	43	51	29	68	190	258
BRISTOL BAY	0	17	16	14	24	11	15	21	19	15	21	19	8	23	118	105	223
CORDOVA	0	44	28	25	33	30	43	27	47	38	31	37	28	32	230	213	443
CRAIG	0	14	12	12	8	5	12	22	11	14	14	8	8	11	85	66	151
DILLINGHAM	5	39	37	33	39	24	24	23	29	28	30	28	35	43	224	193	417
FAIRBANKS	116	779	834	725	750	678	740	817	875	839	713	724	622	538	5459	4291	9750
On-Base	26	294	293	310	276	232	221	209	124	111	76	71	68	55	2096	270	2366
GALENA	0	12	13	10	17	12	12	12	9	6	6	13	14	13	88	61	149
HAINES	3	27	28	19	24	26	41	27	32	37	26	31	28	31	195	185	380
HOONAH	8	20	16	19	13	17	16	16	17	19	14	22	22	17	142	94	236
HYDABURG	0	10	8	7	8	7	9	6	8	8	3	10	4	4	56	37	93
JUNEAU	132	370	392	354	335	319	338	352	377	358	332	299	283	324	2598	1967	4565
KAKE	0	17	24	9	12	19	8	16	14	16	16	16	18	16	105	96	201
KENAI	56	592	587	541	546	553	558	599	576	567	511	515	430	410	4168	2873	7041
KETCHIKAN	17	194	206	174	166	188	185	200	190	211	209	208	187	186	1346	1175	2521
KING COVE	0	16	5	9	4	5	12	4	12	8	9	3	6	3	55	41	96
KLAWOCK	0	12	13	8	3	11	10	15	12	16	9	7	9	10	72	63	135
KODIAK	6	189	185	185	152	170	158	180	167	147	169	160	134	108	1262	848	2110
MAT-SU	20	475	545	491	465	494	527	522	531	462	436	406	333	283	3578	2412	5990
NENANA	1	11	14	12	15	12	6	12	6	7	10	6	6	9	83	44	127
NOME	10	60	56	63	58	72	58	64	53	65	61	54	49	34	446	311	757
NORTH SLOPE	21	91	82	74	73	68	75	82	79	60	67	85	55	58	566	404	970
PELICAN	0	5	6	4	9	5	4	3	6	2	1	0	1	1	36	11	47
PETERSBURG	0	55	61	44	48	35	50	57	40	42	48	46	41	35	432	170	602
ST. MARY'S	3	6	10	10	13	11	8	10	14	7	4	4	2	5	71	36	107
SAND POINT	0	13	15	6	12	4	7	5	5	6	14	6	9	6	62	46	108
SITKA	21	138	183	122	107	129	108	131	122	133	124	131	95	91	1194	441	1635
SKAGWAY	2	11	13	8	14	10	13	15	18	13	16	12	10	7	86	76	162
TANANA	0	10	8	6	4	5	5	10	5	6	2	13	8	11	48	45	93
UVALASKA	0	15	14	14	8	11	15	17	13	6	11	13	5	15	94	63	157
VALDEZ	1	68	53	58	52	59	58	69	76	61	38	57	53	120	418	405	823
WRANGELL	0	33	47	38	36	41	44	44	39	28	39	34	33	37	283	210	493
YAKUTAT	0	9	11	12	16	11	8	24	8	10	10	13	10	8	91	59	150
Totals	722	6689	7164	6344	6390	6307	6422	6944	6860	6406	5807	5754	5132	4978	47,830	34,089	81,919
Centralized Correspondence	0	22	17	26	24	27	22	42	42	48	68	35	21	8	270	132	402

1982-83 FINAL ENROLLMENT
REGIONAL EDUCATION ATTENDANCE AREAS

DISTRICT	PRE- ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ADAK	5	70	53	50	46	62	55	62	38	35	49	23	21	23	403	189	592
ALASKA GATEWAY	0	32	53	36	28	41	28	44	45	35	38	35	29	39	283	200	483
ALEUTIAN	0	9	7	14	9	7	4	13	13	5	18	10	8	5	68	54	122
ANNETTE	0	31	25	35	19	25	26	30	29	20	32	23	25	26	192	154	346
BERING STRAIT	11	83	87	55	80	62	83	59	70	65	74	68	63	65	521	404	925
CHIATHAM	0	25	18	23	17	27	23	22	19	15	21	14	12	14	159	91	250
CHUGACH	0	12	10	4	10	5	9	14	10	8	6	3	2	0	78	15	93
COPPER RIVER	0	46	41	23	41	35	57	57	54	41	65	49	46	39	323	271	594
DELTA/GREELY	22	82	80	77	68	59	67	66	91	43	68	41	49	28	521	320	841
IDITAROD	7	24	27	27	26	30	23	15	23	23	27	21	26	19	179	139	318
KUSPUK	1	28	29	31	22	22	13	19	25	28	32	31	26	19	180	146	326
LAKE & PENINSULA	0	34	34	30	26	22	29	24	21	22	26	35	30	34	225	142	367
LOWER KUSKOKWIM	42	151	161	158	161	154	158	169	159	150	206	231	255	226	1259	1122	2381
LOWER YUKON	4	108	116	90	110	117	81	103	108	122	113	104	104	87	780	587	1367
NORTHWEST ARCTIC	0	121	130	129	104	109	120	103	109	84	120	103	142	111	822	663	1485
PRIBILOF	0	19	15	15	7	15	11	16	18	11	11	11	14	0	98	65	163
RAILBELT	0	21	21	21	24	28	24	29	23	19	28	31	24	37	169	161	330
SOUTHEAST	0	59	43	57	44	46	44	46	24	26	23	19	27	16	368	106	474
SOUTHWEST	0	40	46	32	30	41	32	38	42	38	34	43	51	50	276	241	517
YUKON FLATS	0	30	37	20	31	24	16	21	19	20	21	23	19	23	203	109	312
YUKON KOYUKUK	2	47	61	47	39	51	36	45	42	46	34	46	24	43	368	195	563
Totals	94	1072	1094	982	942	982	939	995	982	856	1046	964	997	904	7475	5374	12,849

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

These are much higher than other figures indicate!

CITY/BOROUGH	ENROLLMENT	ADA	ADM
ANCHORAGE	37,508	35,608.24	37,298.90
BRISTOL BAY	215	200.06	210.45
CORDOVA	407	389.10	414.29
CRAIG	198	152.75*	173.35
DILLINGHAM	380	346.27*	372.18
FAIRBANKS	11,449	10,444.73*	11,277.01
GALENA	140	124.79	131.88
HAINES	378	368.24	388.10
HOONAH	226	214.08	227.64
HYDABURG	92	85.05	88.91
JUNEAU	4,267	4,010.45*	4,273.64
KAKE	211	178.84	193.42
KENAI	6,528	6,047.69*	6,419.41
KETCHIKAN	2,455	2,208.53*	2,351.48
KING COVE	137	105.99	135.22
KLAWOCK	95	90.50	94.91
KODIAK	2,144	1,985.18*	2,130.59
MATANUSKA-SUSITNA	5,055	4,480.12	4,811.05
NENANA	198	194.18	214.52
NOME	716	685.71	728.45
NORTH SLOPE	1,053	932.66*	1,060.77
PELICAN	48	42.70	47.37
PETERSBURG	589	556.39	585.12
SAND POINT	118	124.45	141.55
SITKA	1,742	1,688.12	1,765.09
SKAGWAY	191	179.48	189.28
SAINT MARY'S	113	96.64	104.82
UNALASKA	187	182.14	190.97
VALDEZ	849	814.63	847.61
WRANGELL	508	465.87	490.21
YAKUTAT	154	136.43	154.20
CITY TOTALS	78,351	73,140.01	77,512.39
CENTRALIZED CORRESPOND.	688	**N/A	721.13
GRAND TOTAL (CITIES)	79,039	73,140.01	78,233.52

* Does not include ADA for correspondence students

** Not Available

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

14672

REAA'S	ENROLLMENT	ADA	ADM
ADAK	609	599.39*	611.48
ALASKA GATEWAY	492	419.77	473.52
ALEUTIAN ISLANDS	118	104.36	111.79
ANNETTE REGION	153	324.53	347.66
BERING STRAIT	609	527.90*	582.36
CHATHAM	220	194.82*	211.81
CHUGACH	75	61.57	68.02
COPPER RIVER	577	472.69*	568.88
DELTA/GREELY	914	807.44*	915.28
IDITAROD	319	279.17*	311.56
KUSPUK	333	299.04	326.92
LAKE AND PENINSULA	329	283.39	318.79
LOWER KUSKOKWIM	1,889	1,749.62	1,866.91
LOWER YUKON	1,193	1,127.17	1,187.68
NORTHWEST ARCTIC	1,530	1,373.39*	1,499.31
PRIBILOFS	175	165.77*	174.18
RAILBELT	351	320.40*	352.99
SOUTHEAST ISLAND	337	318.10	336.28
SOUTHWEST REGION	490	446.12	478.32
YUKON FLATS	316	268.77*	300.36
YUKON/KOYUKUK	590	461.49*	570.60
TOTAL REAA'S	11,819	10,604.90	11,614.70
TOTAL CITIES (Including correspondence)	79,039	73,140.01	78,233.52
GRAND TOTAL	90,858	83,744.91	89,848.22

Introduced: 1/14/85
Referred: Health, Education and
Social Services and
Finance

Superseded

1 IN THE SENATE

BY KERTTULA

2 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) 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 1977₁ 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 incur-
20 red after June 30, 1977₁ and before July 1, 1978₁ to pay costs of
21 school construction;

22 (B) cash payments made after June 30, 1976₁ and before
23 July 1, 1978₁ by the municipality during the fiscal year two
24 years 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 incur-
29 red after June 30, 1978₁ and before January 1, 1982₁ to pay costs

1 of school construction projects approved under AS 14.07.020(11);

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

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

8 (A) payments made by the municipality during the
9 current fiscal year for the retirement of principal and interest
10 on outstanding bonds, notes or other indebtedness incurred after
11 December 31, 1981, and authorized by the qualified voters of the
12 municipality before July 1, 1983, to pay costs of school con-
13 struction, additions to schools, and major rehabilitation pro-
14 jects that exceed \$25,000 and are approved under AS 14.07.-
15 020(11); and

16 (B) cash payments made after June 30, 1982, and before
17 July 1, 1983, by the municipality during the fiscal year two
18 years earlier 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 (C) payments made by the municipality during the
22 current fiscal year for the retirement of principal and interest
23 on outstanding bonds, notes, or other indebtedness to pay costs
24 of school construction, additions to schools, and major rehab-
25 ilitation projects that exceed \$25,000 and are submitted to the
26 Department of Education for approval under AS 14.07.020(11)
27 before July 1, 1983, and approved by the qualified voters of the
28 municipality before October 15, 1983, not to exceed a total
29 project cost of (i) \$6,600,000 if the annual growth rate of

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

8 (5) subject to (h) and (i) of this section, 90 [50] percent
9 of

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

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

22 * Sec. 2. AS 14.11.100(c) is amended to read:

23 (c) The school construction account is established. Funds to
24 carry out the provisions of this section may be appropriated annually
25 by the legislature to the account. If amounts in the account are
26 insufficient for the purpose of providing the share to which a borough
27 or city is entitled under this section those funds that are available
28 shall be distributed pro rata among the eligible local governments
29 having an annual growth rate of average daily membership of five

1 percent or more. Remaining funds shall be distributed pro rata among
2 eligible local governments having an annual growth rate of average
3 daily membership under five percent.

4 * Sec. 3. This Act takes effect July 1, 1985.

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

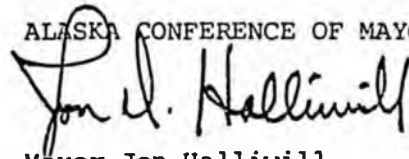
WHEREAS, there is a significant population increase projected for the State of Alaska; and

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

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

file SB 159

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).

and may include other site improvements and facilities as approved by the Commissioner, but do not include employee or student housing, hockey rinks, planetaria, saunas, competition size swimming pools, and other facilities for single purpose sporting or recreational uses.

D. GENERAL USE FACILITIES

(1) The need for general-use facilities, e.g., multipurpose rooms, theaters, auditoria, and gymnasias becomes more urgent with increasing enrollments;

(2) Universal space (multipurpose) is a manageable alternative to articulated space (special use space), particularly for small secondary schools;

(3) Existing general-use facilities that are at least 75% of the minimum allowed gross square footage in area can accommodate quite adequately the minimum educational program requirements for elementary and secondary schools. Therefore, requests for the replacement of such spaces will be rejected if based on the single argument that such spaces do not provide the maximum amount of space allowable under the department's space guidelines.

THE CIP PRIORITIES AND INSTRUCTIONS

FOR USING THE PRIORITY SYSTEM

The Department of Education's CIP Priority System consists of seven categories. The seven categories are:

(1) HEALTH AND LIFE SAFETY - Documented unsafe conditions threatening the life safety of students, staff, and public, e.g., unforeseen disasters (fire, earthquake, flood), or fire code violation.

(2) UNHOUSED STUDENTS - No adequate classroom space is available for housing elementary and/or secondary students.

- (3) PROTECTION OF STRUCTURE - Repairs to avoid future costly replacement, e.g., major reroofing due to heavy leakage.
- (4) OPERATING COST SAVINGS - Project to save school district operating expense, e.g., energy savings (fenestration and insulation).
- (5) CODE UPGRADE - Required building or handicapped code projects; no direct threat to life safety exists.
- (6) FUNCTIONAL UPGRADE - Replacements, additions, or remodeling to meet a program need, e.g., new library/resource center or shop addition to provide for expanded instructional program.
- (7) OTHER - Any situation not covered by categories 1 - 6.

In reviewing projects and assigning priorities, both the school districts and the department need some uniform basis for deciding which projects of a similar type within a given category will be ranked ahead of others in that same category. This basis is enrollment (ADM), that is, similar projects within a category are ranked according to the number of students affected. For example, if two requests for a new school addition (Category 6) are received, the one with the largest number of students will be assigned a higher priority within this category. Exceptions to this procedure may be made, however, it will be the responsibility of the districts to provide the justification and the documentation to the department for a given project or for an exception to the above procedure for assigning priorities within each of the categories.

All projects will be considered by the department in the order listed on page 4 and 5. Each school district should, first, set its priorities in accordance with these seven categories, and, second, submit its

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

HESS 4-23-85 3:13pm



NRN
spoke to 4/13

SOUTH EAST REGIONAL RESOURCE CENTER
S.E.R.R.C. INC.

218 Front St. Juneau, Alaska 99801
Phone: 586-6806

March 29, 1985

Senator Bettye H. Farrrenkamp
Alaska State Legislature
Room 125-C
Juneau, AK 99811

Dear Senator Farrrenkamp:

The Resource Center is employed by the Wrangell School District to manage their \$14,000,000 school construction project. The project is funded partially by direct appropriation and local bond issue.

The attached position paper discusses the problems Wrangell is facing with debt retirement and why they are particularly interested in those bills increasing the percentage of debt retirement.

If there is any hope of these bills being compiled and moving through both Houses, Wrangell would like to be considered for inclusion in the legislation. Your review of the information attached would be appreciated.

If there's additional information we could provide to gain your support, we would be pleased to supply it.

Sincerely yours,

Twyla G. Coughlin
Associate Director

cc: John Sund
Robin Taylor
Robert Ziegler
Robert McConnell

Satellite Center 444 Dock Street, Ketchikan, Alaska 99901
Phone (907) 225-5250

POSITION PAPER

The Debt Retirement for School Construction Program needs to be amended to provide more equitable treatment for those municipalities which have bonded for school construction after July 1, 1983. Those communities, The City of Wrangell and there within the Matanuska-Susitna Borough, will receive only 50% reimbursement on payments of principal and interest on outstanding bonds. Other communities which bonded prior to July 1, 1983, receive either 90 or 100 percent reimbursement on payment of outstanding indebtedness.

The Wrangell School District had completed the pre-planning process for a high school replacement by 1981. However, it was realized the community, through the bonding process alone, could not finance the total costs of construction. It took two years of requesting assistance before the 1983 session of the Alaska Legislature, appropriated \$6,100,000 in state funds to cover a portion of the \$14,000,000 construction package.

The appropriation timeline for the state portion of the costs was such that the final amount was appropriated for fiscal year 1984. Thus, the earliest date at which Wrangell could present the bond package to the local voters was October, 1983. Although the bond package was overwhelmingly approved by Wrangell voters, the community had already missed the July 1, 1983 deadline which would have qualified it for 90% reimbursement of bonded indebtedness.

Although not intended, Wrangell was caught in a situation beyond anyone's control and was forced to accept a lower rate of debt retirement. The City has proceeded, however, and all of the municipal bonds have been issued by the City of Wrangell through the Alaskan Bond Bank Authority at effective rates of interest of 10.65% as of October, 1984.

That Wrangell will receive only 50% reimbursement from the State of Alaska on payment of principal and interest as compared to other communities which receive 90 or 100% is unfair for two reasons:

(1) Wrangell's assessed valuation of property, the basis on which property taxation is determined, is drastically skewed towards residential properties as compared to commercial properties.

Total residential property values are approximately two and one half times the assessed value of commercial properties (See Alaska Taxable 1984, table XI-A).

Other cities show a residential/commercial assessed value ratio of approximately 1:1. Since residential property, i.e. peoples' homes, is considered non-revenue producing, whereas commercial properties are revenue producers, Wrangell, unlike other Alaska cities of similar size is dependent upon personal income of homeowners to collect property taxes.

(2) Personal income is dependent upon employment. The annual unemployment rate for the Wrangell-Petersburg census district for 1984 was 16.2 percent. Wrangell is heavily dependent upon the timber industry and the Wrangell Mill for employment. During 1984, the Wrangell Mill was closed for approximately six months impacting personal income and the corresponding ability to pay property tax.

This combination of a reduction in anticipated debt service reimbursement coupled with the economic ups-and-downs of the timber industry and a disproportionate mix in the property tax base creates an undue burden on this small community.

For reimbursement of debt service for school construction, Wrangell requests that they be treated in similar fashion with other communities which enjoy reimbursement at 90 and 100 percent.

ALASKA DEPARTMENT OF EDUCATION

ELEMENTARY/SECONDARY AND COMBINED ELEMENTARY-SECONDARY SCHOOL SPACE GUIDELINES
(IN MINIMUM, IN AVERAGE, AND IN MAXIMUM GROSS SQUARE FEET OF FLOOR AREAS)¹

SCHOOL ²	ENROLLMENT									
	10-20	21-32	33-46	47-62	63-80	81-99	100-199	200-299	300-399	400-499 ³
ELEMENTARY (MIN GSF)	800	1,800	4,100	6,100	7,900	9,200	9,700	19,100	27,400	34,900
ELEMENTARY (AVG GSF)	1,500	2,700	5,700	7,900	9,900	11,300	20,400	27,400	31,800	42,900
ELEMENTARY (MAX GSF)	1,600	3,000	6,300	8,700	10,900	12,400	22,500	30,100	40,000	50,000
SECONDARY (MIN GSF)	3,000	5,000	7,300	10,600	13,900	15,200	28,500	35,500	49,600	72,500
SECONDARY (AVG GSF)	5,200	7,000	9,900	13,600	16,100	18,400	35,900	50,100	65,000	75,000
SECONDARY (MAX GSF)	5,700	7,800	10,800	14,900	17,800	20,300	39,500	55,100	72,200	80,000
COMBINED E/S (MIN GSF)	3,500	5,500	8,500	11,500	14,500	16,500	30,000	37,500	52,000	74,000
COMBINED E/S (AVG GSF)	5,500	8,000	11,500	15,000	17,500	20,000	40,000	52,500	68,500	80,000
COMBINED E/S (MAX GSF)	6,300	9,800	13,500	17,000	19,500	22,500	42,500	57,000	73,500	82,500

¹ Exclude exterior wall thickness from GSF calculation

² For all remote schools that are supplied annually, nonassignable space shall be 35-45 percent of building's GSF.

³ For elementary schools with a design enrollment of 500 or more, use 100 GSF per student; for secondary schools with a design enrollment of 500 or more, use 150 GSF per student.

SWIMMING POOL GUIDELINES



State of Alaska Department of Education

June 1984

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Introduction

These guidelines have been developed to give assistance and direction to Alaska school districts in planning swimming pools. They are based upon A.S. 14.11.100, Sec. 5(h), which provides that swimming pools be of "moderate size or smaller" if construction cost is to be eligible for debt retirement by the State, and also provides that the Commissioner of Education, must determine what size facility should receive State funding. Thus, these guidelines are intended to allow Alaska school districts to determine how large a facility can be in relation to their program and community needs and still be eligible for State funding.

I. Authority

A.S. 14.11.100, Sec. 5(h).

"An allocation under (a)(4) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of funds used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. An allocation under (a)(4) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, *an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that is competition size or larger and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner."

* Emphasis added. Competition size has been determined to be 45 feet by 82 feet (25 meters) in dimension. This size pool is often called a Junior Olympic or commonly misnamed "Olympic" size.

Department of Education Review

Preliminary plans for a swimming pool are to be submitted to the Facilities Section of the Alaska Department of Education. Plans must contain: 1) drawing of the proposed swimming pool, 2) a detailed description of the planned pool program and (3) detailed information about numbers of students to be involved in the various programs.

After the plan is submitted to the Department of Educa-

tion, it will be reviewed by the Facilities Division and, within thirty days, the District will be notified regarding whether the plan is approved or needs to be modified before approval is possible.

II. Factors to be used in determining pool size

Any swimming facility sponsored by a public school must be designed foremost for instructional purposes. Such design allows teaching of basic swimming strokes, general water safety, boat safety, and lifesaving. Additionally, a pool design enabling the teaching and practice of diving is desirable. Recreational swimming for students and the community is a valuable by-product in the establishment of an instructional swimming program and should not be overlooked in planning the facility. However, State funding is available only for the instructional program (K-12). A District must be able to show that 51% of the total pool use is for instruction in order to be eligible for debt retirement.

Pool size, therefore, will be determined primarily by three factors:

A. POPULATION SERVED

The District will need to analyse the following information for program determination. This information must also be provided to the Department of Education:

- current district enrollment (K-12)
- breakdown of enrollment by individual school and grade level.

- an enrollment projection which covers the next five years.

B. PROGRAM TO BE OFFERED

Pool instructional space is determined by the classes to be offered and the student population to be served. In addition to basic swimming instruction, activities that may be included in a well-rounded program are described as follows:

- Water safety courses to develop and train instructors for the American Red Cross. These instructors qualify to teach lifesaving and to conduct water programs for all age groups.
- Water safety aide courses to develop and train young people in pool safety and the fundamentals of teaching swimming.
- Boat safety instruction for students and for interested community members. Such topics as overloading, personal flotation devices, handling in rough water, high speed turning, capsizing, explosion and/or fire, and falling overboard can all be discussed during water safety courses. Many of these topics can also be demonstrated through the use of a small boat.
- Drown proofing: A system of self-rescue developed at Georgia Institute of Technology, particularly aimed at those who feel they will never learn to swim a regular stroke, but want to be able to save themselves in the event of an emergency.
- Diving instruction for the one meter board.
- Synchronized swimming training: For those

boys and girls who are interested in the exacting and artistic demands that this activity has to offer.

- Infant training: This is a specialized offering, given by an experienced swimming instructor. Many infants have been given an excellent start as swimmers.
- Scuba training: Almost every region of the United States has pools offering this training to the general public.

If the pool will be available for community use in off-school hours additional activities to consider are:

- Adult swimming course: These courses prove to be surprisingly popular for their social, as well as instructional benefits.
- Swim to stay fit programs for persons who want a relaxing activity which maintains their body tone. Individualized activity is stressed in this program.
- Survival training for the general public: A surprising number of people are concerned with being able to get themselves out of difficult situations.
- Rescue squad training: Most rescue squads feel that they should be prepared to handle all emergencies. There are many areas having potential water hazards which are protected by such squads.
- General recreational swimming for the public: Family nights, mother-daughter, father-son, and other combinations can provide a source of revenue to support pool operation.
- Water ballet training: For persons of all ages who enjoy group training and the artistic results that an exacting physical activity can produce, water ballet allows for all ranges of talent.

- Fly and bait casting training practice can be provided.

In determining the programs to be offered the District may want to consider the following Red Cross Recommendations:

INSTRUCTIONAL PROGRAMS RECOMMENDED BY THE RED CROSS:

<u>Course</u>	<u>Required in-Water Instructional Hours</u>
(1) Beginning Swimming	25
(2) Advanced Beginning Swimming	25
(3) Intermediate Swimming	25
(4) Swimmer	25
(5) Advanced Swimming	25
(6) Junior Life Saving	25
(7) Basic Water Safety	25
(8) Diving	25
(9) Water Ballet/Synchronized Swimming	25
(10) Basic Scuba Diving	25
(11) Kayaking/Canoeing	25
(12) Boating Safety	25
(13) Water Games/Water Polo	25
(14) Other	25

C. PROGRAM SPACE REQUIREMENTS

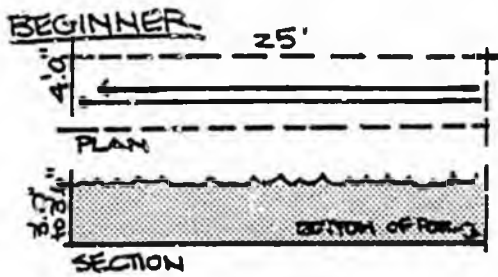
The Red Cross recommends certain pool space minimums in implementing identified program components: (Charts 1, 2, 3 on following pages)

Chart 1.

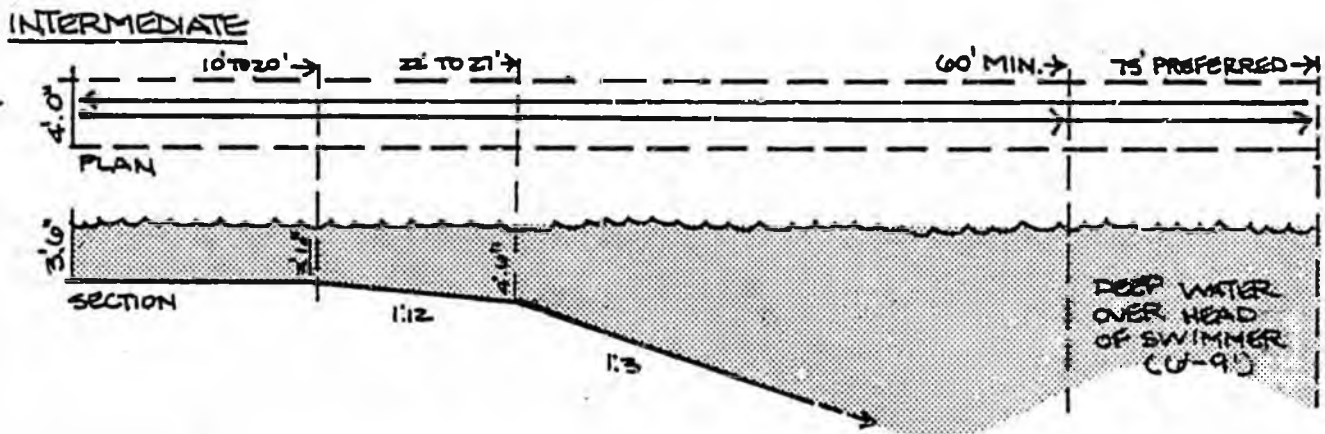
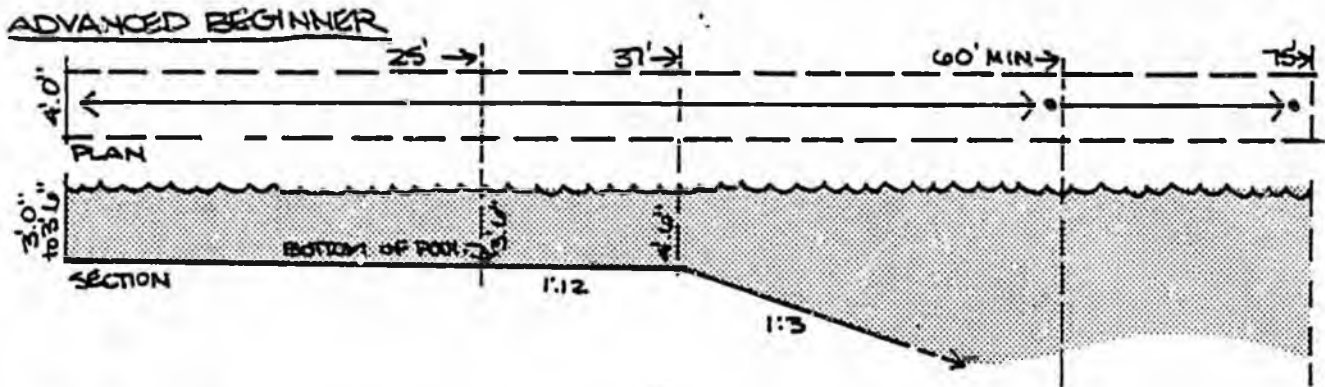
MINIMUM REQUIREMENTS NECESSARY FOR INSTRUCTIONAL PROGRAMS

PROGRAM	INSTRUCTIONAL LANE PER STUDENT	SQ. FT./STUDENT	WATER DEPTH MINIMUMS	DEEP END (OVER HEAD)	DIVING	COMMENTS
Beginning Swimming	4' x 25'	100/student	recommend 3' to 3 1/2'	no req.	no req.	possible minimum pool sizes for optimum class of 10 students: 40' wide x 25' long or 20' x 50' (5 students at each end)
Advanced Beginning Swimming	4' x 60'	120/student	25' of 3 1/2' water depth	6' to 9'	no req.	Red Cross allows 60' swimming length to be done in laps, thus 25' x 40' pool would be acceptable, but is not recommended.
Intermediate Swimming	4' x 60'	120/student	25' of 3 1/2' water depth	6' to 9'	no req.	
Swimmer	4' x 60' min. (4' x 75' rec)	120/student 300/student	no req.	8' to 10' diving depth	1/2 meter board or platform	Minimum size possible 20' x 60'. (rec. 20' x 75'). If meter board is used width must be increased by 1' 8".
Advanced Swimmer	4' x 60' min. (4' x 75' rec)	120/student 300/student	no req.	12' diving depth	1 meter board	21' 8" width required. 75 length recommended.
Junior Life Saving	4' x 60'	120/student	25' of 3 1/2' water depth	6' to 9'	no req.	
Boating Safety	Ability to turn a boat or kayak end for end is important. Pool width should be twice that of the Boat.					

Chart 2 Space required for a single swimmer (varying abilities)



This chart illustrates minimum recommended lane widths and water depths for a typical instructional program offering, Beginning, Advanced Beginning and Intermediate Swimming. Swimmer Program with Diving instruction is also illustrated.



DIVING

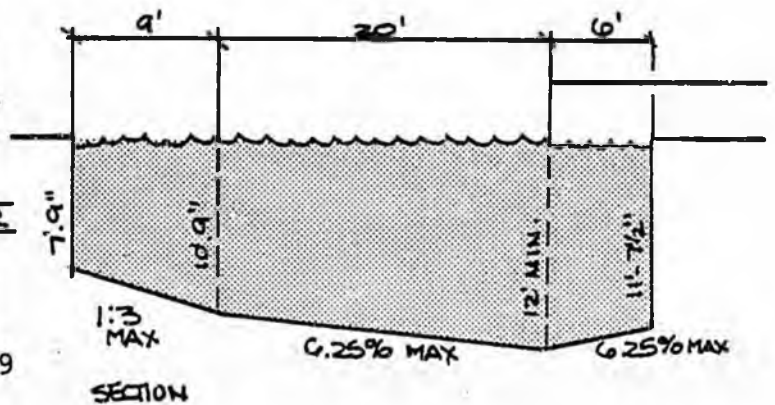
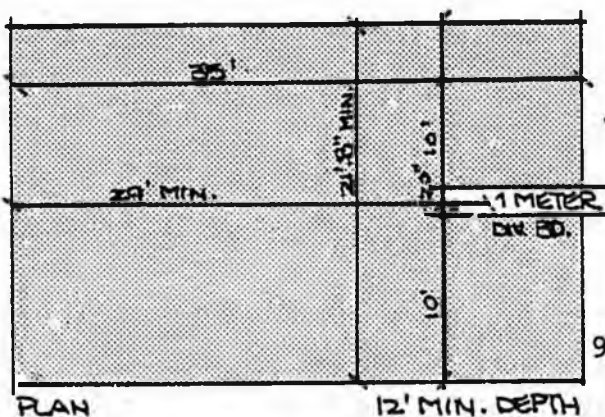
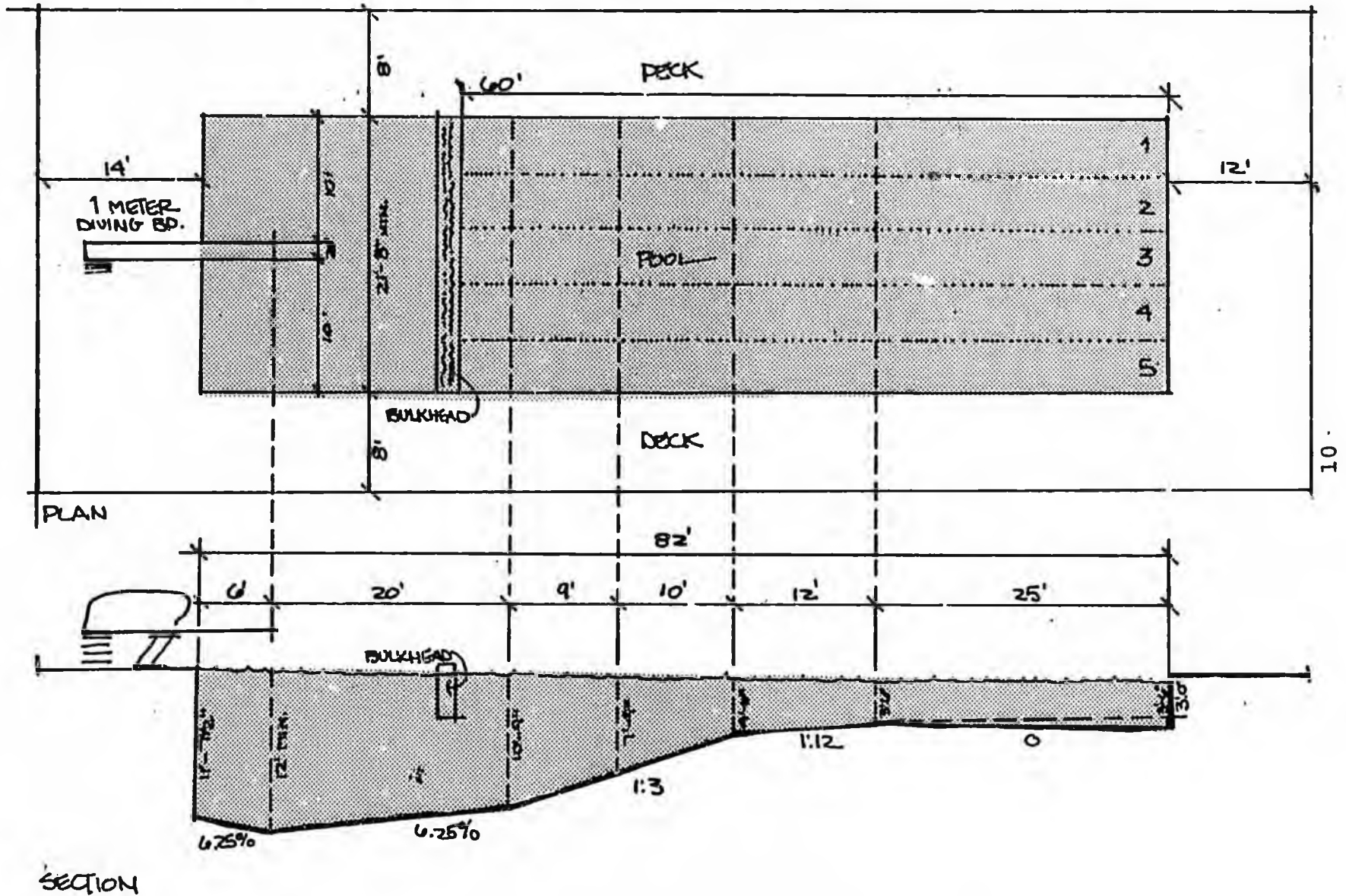


Chart 3 Space requirements

Pool design using Swimmer/Diving Program requirements.



D. GENERAL RECOMMENDATIONS

Based on an analysis of instructional needs as illustrated in the following chapter, a School District should select the smallest pool size that would meet program and student population goals. Assuming, however, that the pool has primary uses for school instruction, community use, and possibly some interscholastic competitive and athletic event swimming certain general recommendations can be made.

NOTE: The Department will not grant a variance for "Competition Size" and above. However, the district may decide to use local resources for this purpose.

RECOMMENDATIONS

1. If affordable, the optimum size pool to offer a full program of courses as outlined on the preceding pages is, 75' x 25' or 30'. This meets minimum requirements for instruction programs, boating safety and recreational swimming, and would meet minimum requirements for some interscholastic competition.
2. For a small program of required instruction with 10 students per class, a 20' or 22' x 60' pool is recommended. For 8 students per class the pool width could be reduced to 16'. However, this is not a versatile width for optimum usage.

3. For a strictly elective program, stressing boating safety, a pool must be at least 25' x 40'. This is also the absolute minimum size to offer a small program of intermediate instruction, but is not recommended by the Red Cross for such a program. The minimum size pool for offering a mandatory and elective program should be 25' by 50'.
4. If diving is to be emphasized it is important that the full 12' diving depth be directly under the last 1 1/2' of the diving board. An "L" shaped pool which isolates the diving area is most desirable.
5. To pick the most versatile depths for these pool sizes, use diving tank requirements for one end, 3' 6" for intermediate depth, and depending on community use concerns possibly a small section of 3' 0" depth at shallow end (or a removable insert in a 3' 6" shallow end.)

A district developing a swimming facility must take into consideration the following cost factors in planning the district's operating budget:

- a. pool maintenance and repair
- b. utilities

- c. possible increased costs for additional instructors/staff
- d. community use of pool could be a source of income but will also increase maintenance, repair and staff cost
- e. possible increased expenses to transport students to and from the facility
- f. increased insurance costs

III. Allowable pool sizes

Chart 4 on the next page summarizes a representative sample of recommended pool sizes and the student population that can be served by each, in a district offering a basic swimming program consisting of 3 required courses. (See Appendix for the assumptions and calculations used in determining this information)

NOTE: The "Olympic pool" of 45' x 82' (25 meters) included in the chart for comparative purposes, is not eligible for debt retirement as it is deemed "competition size" under AS 14.11.100. A district needing this pool size to meet program requirements must reduce pool dimensions to be fully eligible for debt retirement. A width of 42' or 44' wide and length of 75' are also acceptable for this type of pool.

Chart 4

SUMMARY OF STANDARD POOL SIZES AND POPULATIONS SERVED

POOL DIMENSIONS	POOL AREA SQ.FT.	STUDENTS PER CLASS PERIOD	STUDENTS PER YEAR ABLE TO RECEIVE MANDATORY COURSES	TOTAL POPULATION SERVED 100% BASIC SWIM PROGRAM			TOTAL POPULATION SERVED 50% BASIC SWIM PROGRAM		
				Enrollees per Yr. in all 3 classes	NUMBER OF YEARS OFFERED.		Enrollees Per yr. in all 3 classes	Second. yr. (6 yrs)	Elem. & Sec. (12 yrs)
					Second. Only (6 yrs)	Elem. & Sec. (12 yrs)			
1. Recommended Min. 22' x 82'	1,804	20	480	160	960	1,920	80	480	960
2. Stand. Instruc. 30' x 60'	1,800	20	480	160	960	1,920	80	480	960
3. Min. Competitive 28' x 75' or 28' x 82' (25 meters)	2,100 2,296	30	720	240	1,440	2,880	120	720	1,440
4. "Montreal" 36' x 75' or 36' x 82' (25 meters)	2,700 2,952	50	1,200	400	2,400	4,800	200	1,200	2,400
5. L Shape 45' x 82' (25 meters) and 45' x 30' (diving)	3,690 1,350	100	2,400	800	4,800	9,600	400	2,400	4,800
6. "Olympic" 45' x 82' (25 meters)	3,690	75	1,800	600	3,600	7,200	300	1,800	3,600

A. METHOD FOR DETERMINING ALLOWABLE SIZE

There is of course, no precise formula for determining pool size. It is based on the district's analysis of current program needs, anticipated growth, operations and maintenance costs vs. available budget, etc. The following steps are a likely approach to determining pool size:

1. Identify program requirements (K-12)

- a. Using the course lists on pages 5-7, determine the number of mandatory and elective course offerings and the grade level

Example

- District will have 1/2 semester (quarter) mandatory instruction in Beginning Swimming, Advanced Beginning Swimming and Intermediate Swimming for each able student in the District between 5th and 12th grades.
 - At the secondary level the district wants to offer 1/2 semester (quarter) elective courses each year in Junior Life Saving, Advanced Swimming and Basic Water Safety.
 - Other programs will be given in the evening or after school.
- b. From the recommended in-water hours determine the number of class periods necessary to complete each course. 10 students per class is optimum.

Example

- District schools (includes 10 yr. growth projection):

1 high school/200 students 200
3 elem. schools/+ 60 students
at 5th grade and above 60

Total population to be served: 260

Number of instructors: 1
Number of class periods/day: 5

- Possible courses in one year:

5 periods/day
x2 courses/semester (25 in-water
hours/course)
x2 semesters/yr =

20 courses/yr
x10 students per class =

200 students/yr.

- Number of course periods available for 3 mandatory courses:

8 yrs. available (5-12)
x20 courses/yr. =

160 courses available for each student to take 3 courses

- If each course can accommodate an optimum of 10 students then:

160 courses
x10

1600 students could be taught mandatory courses

1600 / 3 = 533 students could receive all three mandatory courses

- In this example the District has only 260 students requiring instruction. Thus the pool will only be used 50% of the time (533/260) for mandatory programs. This leaves at least 2 periods per day for other courses. On a yearly basis there would be approximately 10 available courses for elective offerings, including the three secondary offerings previously determined.

Knowing what it must set aside for its basic program, the District can now consider alternatives such as additional mandatory requirements, enlarging voluntary offerings, increasing usage to 6 periods per day to gain greatly expanded offerings with the same facility or, although not recommended, reducing the number of periods for which the instruction will be available.

c. Test calculations for an Actual Situation

Example

- Assume each fifth grade class will have the 3 courses given during that year.

Number of 5th grade students = 30
 Number of sessions required = $30/10 = 3$
 3 sessions

Three periods per day for 3 quarters will be required to instruct 5th grade class. A total of 9 courses out of a possible 20. This leaves 11 courses for instruction of secondary students. In the event the District wished to offer 3 courses of basic swimming for students who have transferred in the district and who have not com-

pleted mandatory course work, this should leave 8 courses available for the instruction of electives. This example, assumes one teacher is available.

2. Determine Size of Pool necessary to accommodate program needs based on the Districts program decisions and the results of the calculations just illustrated.

(Chapter II, Factors in Determining Pool Size, and the chart on Page 8 give the minimum requirements for basic instructional programs. Also see the Appendix for additional information on pool configurations).

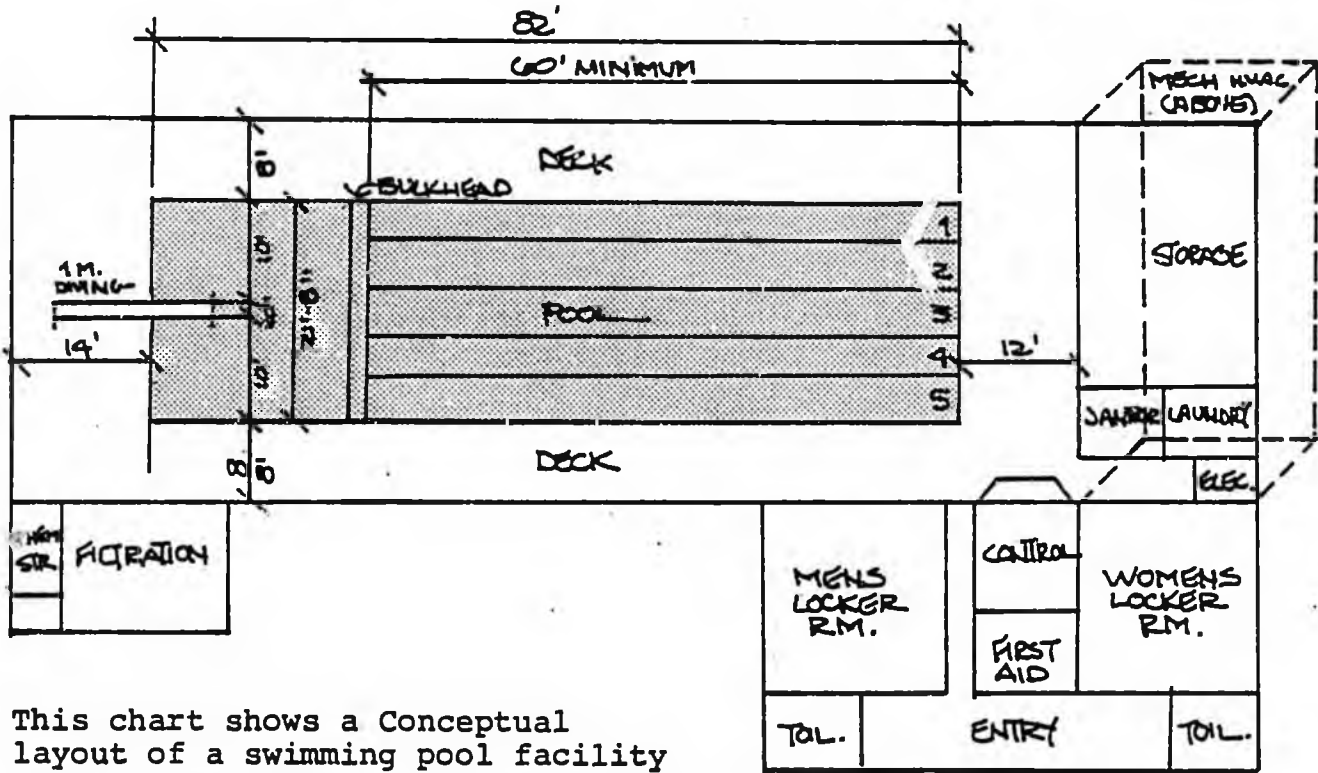
3. Select smallest pool size based on combination evaluated above.
4. If the size developed in (C) is equal to or larger than prescribed maximum dimensions it must be changed to avoid competitive size unless district is prepared to underwrite cost of additional size. Other options include construction of two facilities instead of one. Width may vary to 70' to accommodate required instructional area.

B. CONCEPTUAL SWIMMING FACILITY

No minimum standards are established for the complete swimming facility. However, several factors should be kept in mind.

- Adequate deck space for instruction must be provided. A minimum of twelve feet is recommended for this purpose.
- A minimum of 6 feet of deck space should be allowed on all other sides of the pool for safety and also during recreational use. As many as 2/3 of the group will be out of the water at any one time.
- Equipment, office space, locker and shower rooms must be included and designed with a functional amount of space depending on population served.
- If diving is provided, ceilings should be at least 16 feet above the highest board surface. A one-meter board and 12 foot depth is the recommended minimum for diving.
- Safety is of primary concern, a secure area for chemical storage should be provided, as well as a control station and first aid area. (For additional Health-Safety information see HEW Publication No. DCD79-8319, Swimming Pools, Safety and Disease Control, 1979)
- Because of safety and health concerns, several agencies have regulatory authority covering a water safety facility. In addition to applicable uniform codes for building, mechanical, electrical, fire safety, etc., Districts must adhere to DOT/PF barrier free regulations and Department of Environmental Conservation health and safety regulations, including those covering swimming pools. (18AAC 30)

Chart 5 Conceptual Layout



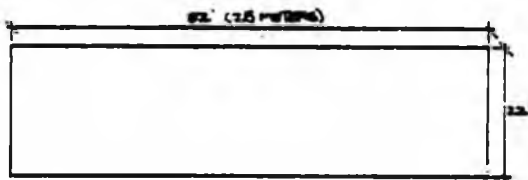
This chart shows a Conceptual layout of a swimming pool facility using the Recommended Minimum Pool (22' x 82'), with a diving instruction Area. For this type of facility a minimum of 8,000 sq. ft. would be recommended.

Pool	1,788
Deck	2,290
Control	120
First Aid	100
Locker Rooms	740
Laundry	70
Janitor	80
Mechanical HVAC @ 7%	560
Filtration	250
Chlorine	30
Chemical Storage	60
Electric	30
Structural - Deck Equipment	340
Toilet	120
Circulation/Entry/Exits	630
Wall - Interior 3%	240
7% Design Factor	560
Total Area	8,008

IV. Appendix

EXAMPLES OF POPULATION SERVED BY CERTAIN POOL SIZES AND CONFIGURATIONS

1. RECOMMENDED MINIMUM POOL.
22' wide by 82' (25 meters) long



Assumptions

- 6 class periods per day.
- 2 groups of 10 per period in pool.
- 12 courses per semester (six per quarter) =
24 courses per year.
- 25 hours in-water requires 33 minutes
in the pool average per class
period assuming 45 class periods
per course.

Calculation

20 students per class/120 students per day
x24 courses per year
480 students per year
48 groups per year

Population(s) Served

- a. Basic swimming programs only, three required courses.
 - (1) 160 students per year could take the 3 mandatory classes. (480 / 3)
 - (2) Assuming program is compulsory for secondary students, (grades 7-12) pool would serve 960 students. (6 yrs. available x 160)

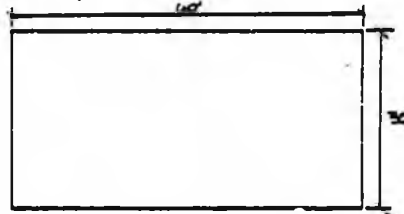
(3) Assuming program is compulsory for elementary and secondary students, pool would serve 1,920 students. (12 yrs. available x 160)

b. Assuming basic swimming group represents 50% of course offerings. This would allow 12 alternative course offerings per year. Then:

(1) For secondary students only, pool would serve a school size of 480 students in mandatory courses.

(2) For elementary and secondary students, pool could serve a school size totaling 960 students in mandatory courses.

2. **STANDARD INSTRUCTIONAL POOL**
30' wide x 60' long.



Assumptions.

- 6 class periods per day.
- 2 groups of 10 per period in pool.
- 2 courses per semester (one per quarter), 24 courses per year.
- 25 hours in-water requires 33 minutes in the pool average per class period assuming 45 periods per course.

Calculation

20 students per class
x24 courses per year
480 groups per year
48 groups per year

Population(s) Served

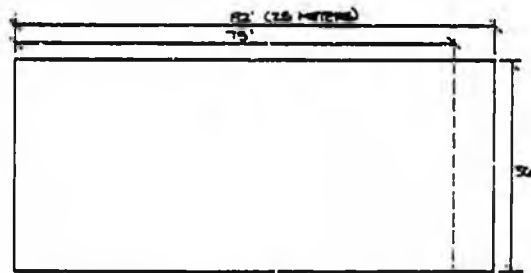
- a. Basic swimming programs only, three required courses.

- (1) 160 students per year could take the 3 mandatory classes. (480 / 3)
- (2) Assuming program is compulsory for secondary students, (grades 7-12) pool would serve 960 students. (6 yrs. available x 160)
- (3) Assuming program is compulsory for elementary and secondary students, pool would serve 1,920 students. (12 yrs. available x 160)

b. Assuming basic swimming group represents 50% of course offerings, this would allow 12 alternative courses per year. Then:

- (1) For secondary students only, pool would serve a school size of 480 students in mandatory courses.
- (2) For elementary and secondary students, pool could serve a school size totalling 960 students in mandatory courses.

3. SMALLEST COMPETITIVE RECTANGLE 28' x 75' or 82' (25 meters) long. (For competitive swimming lanes are normally 7' or wider)



Assumptions

- 6 class periods per day
- 3 groups of 10 per period in pool.
- 12 courses per semester (one per quarter), 24 courses per year.
- 25 hours in-water requires 33 minutes in the pool average per class period assuming 45 periods per course.

Calculation

30 students per class
x24 courses per year
720 students per year
72 groups per year

Population(s) Served

a. Basic swimming programs only, three required courses.

(1) 240 students per year could take the 3 mandatory classes. (720/3)

(2) Assuming program is compulsory for secondary students, (7-12) pool would serve 1,440 students. (6 yrs. available x 240)

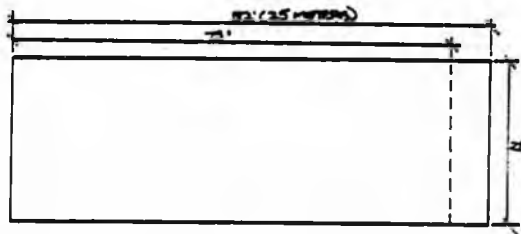
(3) Assuming program is compulsory for elementary and secondary students, pool would serve 2,880 students. (12 yrs. available x 240)

b. Assuming basic swimming group represents 50% of course offerings, 12 alternative courses could be offered per year. Then:

(1) For secondary students only, pool would serve 720 students in mandatory courses.

(2) For elementary and secondary students, pool could serve 1,440 students in mandatory courses.

4. INTERMEDIATE RECTANGLE (Montreal standard) 36' wide by 75' long or 82' (25 meters) long



Assumptions

- 6 class periods per day.
- 2 groups of 25 per period in pool.
- 12 courses per semester, 24 per year
- 25 hours in water requires 33 minutes in the pool average per class period assuming 45 class periods per course.

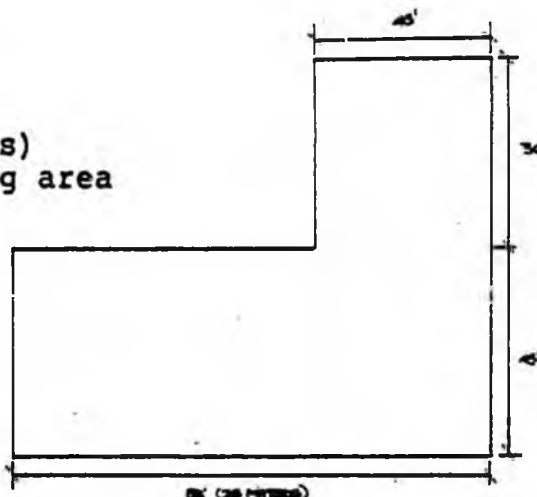
Calculation

50	Students per class
x24	Courses per year
1,200	Students per year
48	Groups per year

Population Served

- a. Basic swimming programs only, three required courses.
 - (1) 400 students per year could take the 3 mandatory classes. (1200 / 3)
 - (2) Assuming program compulsory for secondary students, (7-12) pool would serve 2,400 students. (6 yrs. available x 400)
 - (3) Assuming program is compulsory for elementary and secondary students, pool would serve 4,800 students. (12 yrs. x 400)
- b. Assuming basic swimming represents 50% of course offerings, 12 alternative courses could be offered per year. Then:
 - (1) For secondary students only, pool would serve 1,200 students in mandatory courses.
 - (2) For elementary and secondary students, pool could serve 2,400 students in mandatory courses.

5. "L" SHAPE POOL
 45' by 82' (25 meters)
 and 45' by 30' diving area



Assumptions

- 6 class periods per day.
- 4 groups of 25 per period in pool.
- 12 courses per semester (24 per year)
- 25 hours in-water requires 33 minutes in the pool average per class period assuming 45 class periods per course.

Calculation

100	students per class
x24	courses per year
2,400	students per year
96	groups per year

Population Served

- a. Basic swimming only, three required courses.
 - (1) 800 students per year would be instructed in basic swimming. (2400 / 3)
 - (2) Assuming program is compulsory for secondary only, (7-12) pool would serve 4,800 secondary students, (6 yrs. available x 800). For example, this could serve two high schools of 1,600 students and two junior highs of 800 students
 - (3) Assuming program is compulsory for elementary students (excluding Kindergar-

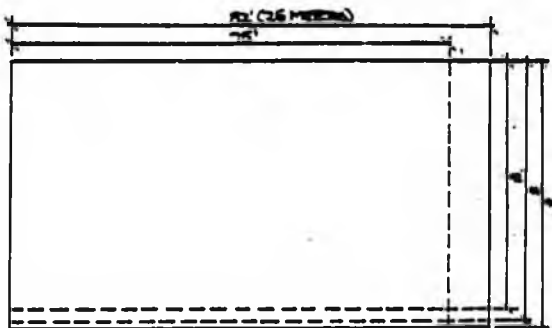
ten), pool would serve total enrollment of 9,600 students. (12 yrs. available x 800) This could be for example, two high schools of 1,600, two junior highs of 800, eight elementary schools of 600.

b. For combination of courses where 50% (12) offerings are basic swimming, and 12 are alternative courses:

(1) Pool would serve 2,400 students in mandatory courses for a secondary program only.

(2) Assuming mandatory program is compulsory for 1-12, pool would handle 4,800 students.

6. RECTANGULAR "COMPETITION" POOL (common misnomer: "Olympic" Pool size) 42', 44' or 45' wide by 75' or 82' (25 meters) long.



Assumptions

- 6 class periods per day.
- 3 groups of 25 per period in pool.
- 12 courses per semester, 24 per year.
- 25 hours in-water requires 33 minutes in pool, average per class period assuming 45 class periods per course.

Calculation

75	Students per class
x24	Courses per year
1,800	Students per year
72	Groups per year

Population Served

a. Basic instruction only, three required courses.

(1) 600 students per year could take the 3 mandatory classes. (1800 / 3)

(2) Assuming program compulsory for secondary only, (7-12) pool would serve 3,600 secondary students. (6 yrs. available x 600) For example, pool could serve one high school of 1,800, and two junior highs of 900 each.

(3) Assuming program is compulsory for elementary students (excluding Kindergarten) pool would serve total enrollment of 7,200 students. (12 yrs. x 600) For example, two high schools of 1,800, two junior highs of 900, 9 elementary schools of 400.

b. For combination of courses where 50% (12) courses are basic swimming, twelve are alternative courses:

(1) 1800 students would be served in the mandatory program if secondary only.

(2) Assuming the basic program is mandatory for 1-12, pool would serve a population of 3,600 students in those courses.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3635

Senate Committee on Health, Education and Social Services

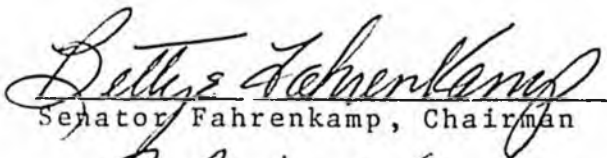
May 11, 1985

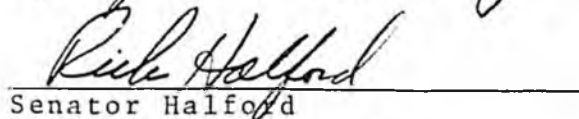
Dear Mr. President and Mr. Speaker:

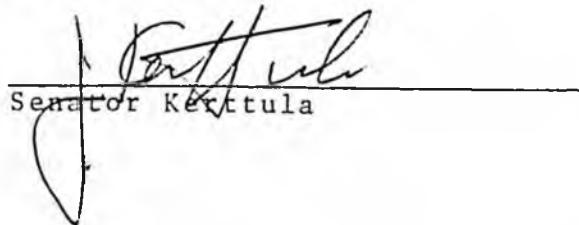
The Conference Committee considering Committee Substitute for Senate Bill No. 51 (Fin) and House Committee Substitute for Committee Substitute for Senate Bill No. 51 (Fin) (state aid for school construction; efd) respectfully requests limited powers of free conference on the following specific point:

page 3, line 12, delete

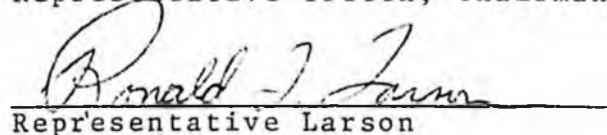
"or program needs"

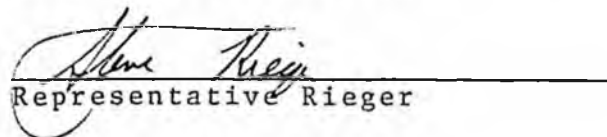

Senator Fahrenkamp, Chairman


Senator Halford


Senator Kerttula


Representative Cotten, Chairman


Representative Larson


Representative Rieger

NRN

APR 8 1985



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

April 3, 1985

Health, Education and Social Services
Senator Bettye Fahrenkamp, Chairman
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp,

Enclosed for your information is Kenai Peninsula Borough Resolution #85-52. This resolution was adopted at the Kenai Peninsula Borough regular assembly meeting on April 2, 1985, and sent to you as per the request of the administration and assembly.

Thank you for your time and concern.

Very truly yours,

Joanne Brindley,
Borough Clerk

Introduced by: Legislative
Affairs Committee

Date: April 2, 1985

Vote: Unanimous

Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 85-52

IN SUPPORT OF SENATE BILL 51 AND HOUSE BILL 191 PROVIDING FOR NINETY PERCENT SCHOOL CONSTRUCTION FUNDING.

WHEREAS, the ever increasing population of the Kenai Peninsula Borough has necessitated continual large construction expenditures to provide necessary school facilities; and

WHEREAS, the State of Alaska has provided a large percentage of funding necessary for construction of such school facilities in the past; and

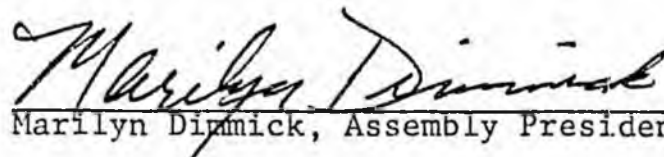
WHEREAS, SB 51 and HB 191, which are currently being considered by the State Senate and House of Representatives, would provide for 90% State funding of municipal costs in school construction, which funding the assembly strongly supports;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the assembly hereby expresses its support for SB 51 and HB 191 and their provision for 90% State funding of school construction.

Section 2. That the clerk is directed to forward copies of this resolution to Governor William Sheffield, the Health, Education & Social Services Committee and the Finance Committee of the Senate and the House of Representatives, Senate President Don Bennett, Speaker of the House Ben Grussendorf, to Senators Paul Fisher, Jalmar Kerttula, Edna DeVries and John Sackett, and to Representatives Mike Navarre, Andre Marrou, Bette Cato, Mike Szymanski and Kay Wallis.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 2nd DAY OF April, 1985.


Marilyn Dimmick, Assembly President

ATTEST:


Borough Clerk



PERFORMING & COMMUNICATIONS ARTS IN THE SCHOOLS



SUGGESTIONS FOR THE FORMULATION
OF EDUCATIONAL GOALS AND
FUNCTIONAL SPACE DESIGN



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PREFACE

The Programming Guideline is intended for use by educators, citizens committees, instructors, architects, arts agencies and specialists in planning school performing and communication arts spaces. The need for a Guideline was identified by the Alaska Cultural Facilities Development Committee. It is under their sponsorship that the Guideline has been prepared. During the course of its preparation, a number of educational and arts agencies have reinforced the need for such a document. These same agencies have indicated their willingness to recommend its use.

The Guideline is intended for use during that portion of the pre-design and design process devoted to formulating goal, space and system concepts for the performing/communication arts. Broadly defined, these instructional and cultural activities include school, community, and guest activities relating to: Music, Drama, Dance; Speech; Media; and Language Arts. The Guideline has application to a variety of spaces whose primary or secondary function is the development of skills, cultural enrichment, and community service. These spaces may include: Theatres and Auditoriums; Lecture Halls and Large Group Instruction Rooms; Gymnasiums and Recreation Halls; Student Commons and Cafeterias; Multipurpose and Media Rooms; Libraries and Music Practice Rooms. The Guideline applies to new, remodeled or found space planning.

INTRODUCTION

Alaskan educators, citizen committees, and art agencies face important performing arts planning questions each time a new school is proposed. Alaskan school and curriculum design is closely linked to citizen response to educational goals. In the case of performing arts it is particularly important that educational goals be identified early in the pre-design process. Without Citizen Committee support and understanding, the performing/communication arts are likely to be designated low priority and not be funded. Therefore, the identification of goals should be the outcome of a structured process involving citizens, educators, resource persons, and performing arts specialists. Curriculum and space planning for music, drama, dance, speech, dramatic literature and media are an integral part of the pre-design process.

This Guideline should be used as a working tool in formulating educational goals and facility concepts. Its focus is school arts programs and spaces; it particularly addresses the needs of small communities. The principles described may be applied to schools serving grades one through twelve, but have particular application to programs serving grades eight through twelve. Since the Guideline deals specifically with Alaskan Communities, it usually assumes community-wide use of spaces. In fact, in most Alaskan communities it is counterproductive to separate school from community needs and resources for the performing/communication arts. Issues relating to community use of the school should be explored during the pre-planning and programming stages.

The specific aims of the Guide are:

- To assist citizens, educators, arts agencies, design team members in the formulation of a rationale for performing/communication arts spaces.
- To recommend an information-gathering process leading to clear concepts for functions and spaces.
- To provide general resource information, checklists, and concept drawings to guide the decision process.

The Guideline is not intended to substitute for an interactive process by which the entire pre-design and design team melds local conditions, educational goals, and good planning practice. It should be used to stimulate rather than constrict the information-gathering and decision-making process. Implementation of the Guideline assumes a complete design team, including owner,

user, architect, as well as performance facilities and acoustics consultants. It is recommended that these special consultants be used as resource persons during the pre-design phase in order to clarify educational goals and concepts. Many failures in performing arts facilities can be traced directly to insufficient specialized input at the early stages of planning. It is further recommended that special consultants be retained by the architect during subsequent design phases.

The Programming Guideline is divided into three broad topics:

1. Goal Concepts
2. Space Concepts
3. System Concepts

Each major topic includes checklists of critical issues for which decisions must be made in order to avoid concept and technical errors. All issues noted should be dealt with during early planning and again during each subsequent architectural planning phase. Characteristically, responses to each checklist item become more comprehensive as planning proceeds. At each planning phase, a re-evaluation and information supplement should be prepared for checklist items. Information then accumulates which is commensurate with a particular planning phase. This procedure also allows each topic to be fully defined in terms of goals, architecture, technical provisions and budget. Also, in this way it is possible to limit the degree of technical detail for each checklist item so concepts are not lost in an excess of premature technical data. Using the Program Guideline in this fashion, it is possible to creatively meld the programming and design of performing/communication arts spaces with the total school design. This last item is particularly important for Alaska since many small communities will select school design concepts built around a group of interdisciplinary multipurpose rooms.

A brief example of the checklist approach is illustrated below. The item being considered is an orchestra pit and its impact on the issues noted below.

Pre-Design and Goal Phase

- Discuss the role of music education and student performance activities.
- Discuss the use of the school theatre by local and guest performers.
- Discuss the school as civic center for the community and region.
- Discuss the importance of converting a space for multi-event scheduling.

Schematic and Design Development Phase

- Evaluate various technical alternatives to orchestra pit.
- Evaluate structural, architectural, electrical provisions.
- Estimate direct and related costs and service requirements.
- Evaluate acoustic requirements and size.

Working Drawings and Contract Document Phase

- Detail final provisions and safety devices.
- Detail final budget projections.

In the example shown, the checklist item is analyzed from the point of view of educational goals, community needs, planning and budget impact. Implicit in the approach is the necessity for a full design team response. Some checklist items may be eliminated after cursory examination. The disposition of others may hinge on several stages of evaluation. In short, an "over-designed" checklist is preferable to an over or under-designed building.

Considering the wide range of program and design solutions for performing/communication arts spaces and their particular application to Alaska schools and communities, the existence of a definitive checklist is unlikely. The Program Guideline checklists are thorough and if properly managed will trigger additional items for consideration. The underlying logic of the checklist approach assumes: there is no substitute for a

disciplined fact finding process; there is no substitute for open forum participation of educators, citizens, user groups, and program and design professionals; and the best single method to assure creative program space solutions is early and continuing clarification of goals, concepts, and alternative solutions.

GOAL CONCEPTS

Goal concepts may be divided into four broad discussion categories:

- What is the value of the activity?
- How will the activity serve in the development of the student?
- How will the activity benefit the community?
- How will the activity build on existing resources?

Typically, the issues suggested by these categories are a point of earliest focus in the pre-design and design process. Planning information and decisions for these issues are central to subsequent design phases. Answers to these issues are central to subsequent design phases. Answers to these questions provide positive rationale for a community considering spaces for school music, drama, dance, speech, media and language arts programs.

As discussion on issues occurs, it is important to record as much salient information as possible. Issues which provoke significant controversy should be deferred for future consideration. It is best to investigate controversial issues from the point of view of Space and Systems, as well as goals prior to rendering a final judgment.

EXAMPLE: A member of a citizen school committee may fear any discussion of the performing/communication arts implies a traditional theatre; the inclusion of such a space is thought to be a "luxury" in their school. If this point of controversy is recorded and held until alternate space solutions are reviewed, the controversy may be easily resolved.

There are three classic snares that often entangle the goal formulation process: One, a lack of expert resource information to guide discussion; Two, ill-informed advocacy leading to arbitrary judgments; Three, failure to ask the right questions, leading to missed opportunities.

CATEGORY ONE - EDUCATIONAL GOALS

Arts/Arts in Education

"The Board is committed to the development and expansion of courses of study which utilize the arts as modes of communication and self-expression. The education of students is not complete without the development of those dimensions of human behavior that are best expressed through the arts."

Adopted 10/9/80

Alaska State Board of Education Policies

In the last five years, various Alaskan education and arts agencies have developed extensive educational goal statements.* These documents are valuable resources for early planning. The discussion issues listed below are derived both from these documents and from values traditionally associated with the performing/communication arts. Addressing these issues in pre-architectural and architectural planning sessions will help equate broad educational aims with the performing/communication arts. Similarly, such investigation will sample the degree and nature of a community's commitment to these disciplines.

A. Potential of the Performing/Communication Arts for:

- Preserving ethnic tradition and intercultural awareness.
- Directing use of leisure time.
- Stimulating creative abilities and independent use of knowledge.
- Encouraging creative teaching.
- Developing aesthetic and humanistic perceptions.
- Demonstrating achievements in art, music, drama, literature, media.
- Serving gifted and disadvantaged students.

B. Potential of the Performing/communication Arts for:

- Teaching the citizenship skills of living in a democracy.
- Developing self realization through self expression.
- Mastering basic skills: music, drama, dance, speech, media.
- Introducing career choices and avocations.
- Developing motor and cognitive skills.

*Alaska Arts in Education Handbook, 1981
Alaska Arts in Education Plan, 1981-85
Alaska Small High School Planning Study Program
and Space Guidelines

Alaska Small High School Program and Educational
Specifications
Something Special, 1981
Effective Schooling Governors Task Force, 1981
Alaska State Board of Education Policies, 1980

CATEGORY TWO - USE PHILOSOPHY GOALS

Issues in this category deal primarily with expectations and attitudes relating to the types of spaces, the flexibility of spaces, and their accessibility.

- Is the school's concept primarily a "universal" or an "articulated" space design? See Alaska Small High School Planning Study.
- Is the goal to design spaces each of which is to be used for a wide range of academic, recreation, and arts activities?
 - How are multi-function spaces to serve performance, rehearsal, teaching requirements?
 - Will the school use existing community space resources for scheduling curricular and co-curricular activities?
 - Will special event and community activities be encouraged to use school facilities?
- Will the school be used for non-degree and continuing adult education?
- Will the school encourage special event scheduling associated with community quality of life and student cultural programs?
 - Are there or are there likely to be specific school/community performing groups which will use school spaces as a production and performance home base?
 - How are performing/communication arts activities to be funded or subsidized (state, arts agencies, local)?
 - Will the school employ a specialist for space and event management?
 - Will the school encourage maximum space utilization--"Lighted Schoolhouse"?

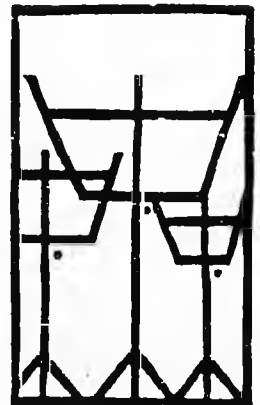
CATEGORY THREE - ACTIVITY GOALS

Issues in this category deal primarily with expectations and attitudes relating to the types of activities.

It is essential at this state of goal formulation to discuss typical performing arts activities. Detailed information relating to group size, schedule, funding, growth, and priority should be recorded.

- MUSIC

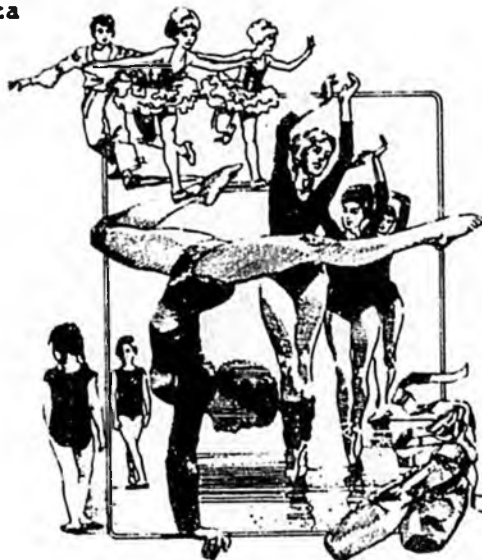
Music Appreciation
Vocal Instruction
Instrumental Instruction
Choral



Symphonic
Band
Joint Choral/Instrumental
Master Classes and Mini Courses
Seminars and Workshops
Artist in Residence
Festivals and Contests
Tourist Events
Other

● **THEATRE**

Theatre Appreciation
Skills Course; Acting; Directing;
Stage Crafts
Drama
Lyric Theatre: Musicals, Operetta
Childrens Theatre
Creative Dramatics
Mime
Puppet Theatre
Master Classes and Mini Courses
Seminars and Workshops
Artist in Residence
Festivals and Contests
Tourist Events
Other



● **DANCE**

Dance Appreciation
Individual and Group Instruction
Dance Performance
Master Classes and Mini Courses
Seminars and Workshops
Artist in Residence
Festivals and Contests
Tourist Events
Other

● **SPEECH/MEDIA/LANGUAGE ARTS**

Skills Courses: Public Speaking;
Debate; Small Group
Discussions
School Assemblies and Contests
Large Group Instruction
Film, Slide, Television Presen-
tations
Multi-media Presentations
Public Forum and Meetings
Skills courses: Film; Photography;
Radio; Television
State Educational Television Series

CATEGORY FOUR - RESOURCE GOALS

Issues in this category deal primarily with the best possible use of available state and local resources for implementing program and space concepts.

- Several state agencies have current publications that detail state programs and services. The design team has the responsibility of requesting current publications which indicate funding for new and on-going programs. Agencies to be contacted include: Alaska Alliance for Arts Education; Alaska State Council on the Arts; South East Regional Resource Center; Cultural Facilities Development Committee.
- Locally available spaces should be surveyed for their potential use as performing/communication arts spaces. Included are: existing schools; churches; town hall; museum; cinema; other clear span spaces.
- Locally an inventory of available teaching and resource people who may assist with music, drama, dance, speech, media, language arts should be made.

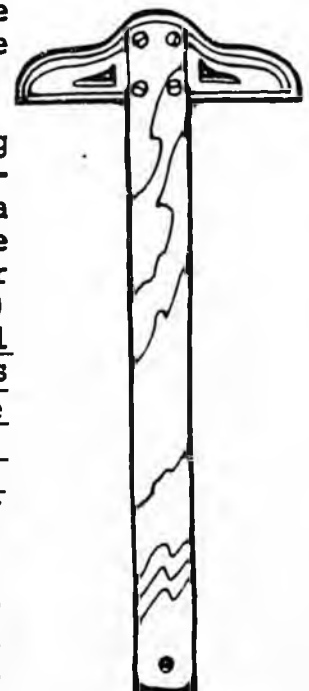
SPACE CONCEPTS

The investigation of goal concepts outlined above seeks positive links between a community's expectations for a new or renovated school and the potential of the performing/communication arts to realize those aims. As stated, the bridge between expectation and spaces might be interpreted in terms of educational aims and acquired skills, or use philosophy and activities, or creative use of local or state resources. Often this bridge is perceived in terms of economic benefits and civic pride. It certainly is possible to enrich the economy of a community by constructing cultural enrichment facilities. It is not uncommon for these same cultural facilities to become symbolic of a community's achievement. Several cities in Alaska are currently experiencing the economic benefits of recently completed public assembly spaces. The construction of public assembly spaces may be incorporated into school projects.

When school arts training and public spaces are seen in terms of their broadest possible impact on the total community, benefits are diverse and far reaching. One method for maximizing impact is clearly defined goal concepts. A second method is the creative matching of spaces to goal concepts. Within a given community there are many options for accommodating a broad range of music, drama, dance, speech, media and language arts appreciation, skills, and performance activities. Well formulated goal concepts help provide a basis for selecting spaces. Similarly, a survey of available space resources may identify spaces which could be adopted to meet the goal concepts.

This section of the Guideline is a tool for assisting the community and design team to evaluate space concepts. To this end, the Guideline: (1) Brackets a range of space options, by describing three significantly different architectural solutions for school arts training and public assembly spaces; (2) Provides a checklist of support spaces. The final selection of performing/communications arts spaces should remain an open process until such time that the owner/user/design team finds a match for goal concepts, total school design, community impact and budget. During the evaluation process, the team may be guided by the general observations noted below.

1. Good working models do exist for each of the three prototypical concepts described. Field trips can be very useful for clarifying space types and functions.



2. Multi use or shared space solutions for the performing/communication arts are practical when goal concepts or budget dictate their use. It is practical, given careful design, to execute flexible spaces which have good accommodations for academic, recreation, and performing arts activities.
3. The size of a community should not be the single determining factor for selection of a performing space. Use projections and longterm educational and cultural impact are much more important.
4. The prototype schemes should be thought of as "themes" to be varied based on individual project requirements and the creative interpretation of the design team.
5. No one scheme is inherently preferred; each has its advantages and disadvantages as it is applied to a particular situation. Each space type may be well or poorly executed.
6. There is no "cheap" solution to providing spaces for the performing/communication arts. Community commitment at the goal concept stage must be backed by funding commitment.
7. School and community arts activities typically experience significant growth when good spaces are provided; "Theatres" can be a common ground for school and community.

What follows is a brief description of three alternative space concepts. The full design team should weigh the advantages of each scheme. Each prototype is described in terms of its principal physical and functional features and is represented by plan and section concept drawings. The term "theatre" is used in the general sense of a performing public assembly space. In this context there are many possible theatre/architectural forms and the theatre space may be used for many purposes. Only major space, system, and function features are listed. The design team must evaluate each form in detail for best matching of program and spaces. In some instances, accommodations for public assembly, performing arts education and cultural enrichment activities will have to be designed into spaces where primary function is not arts related.

CONCEPT ONE - MULTIFORM THEATRE

(See Drawings 1, 2, 3)

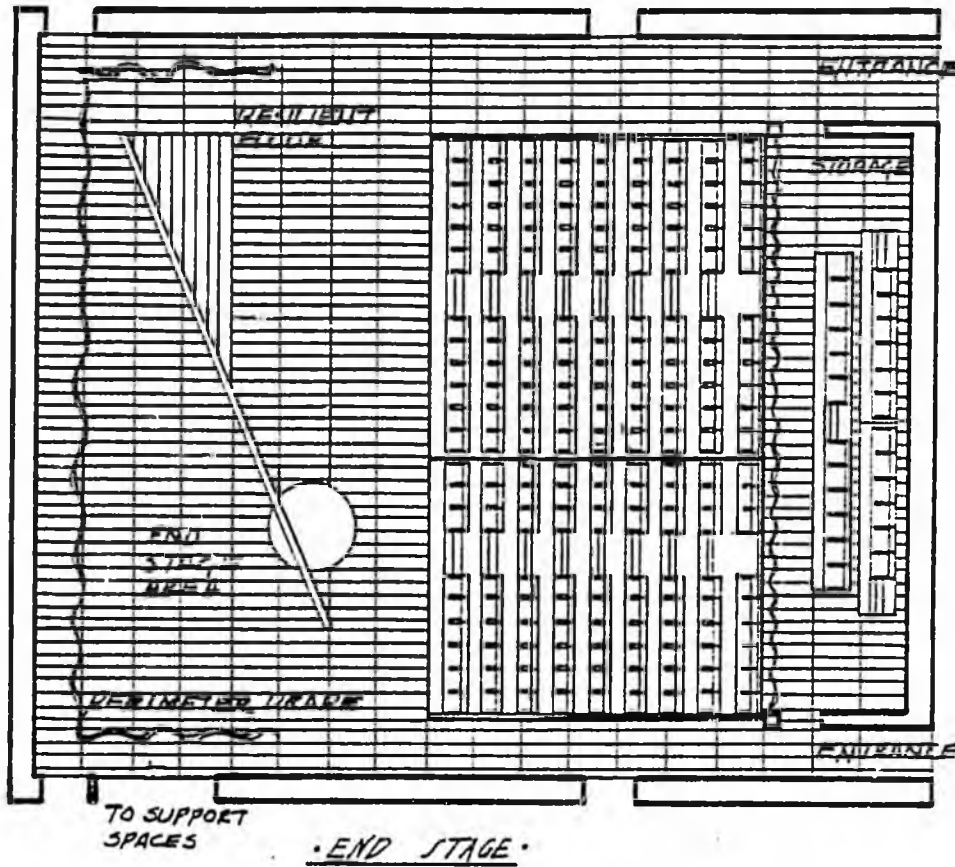
Multiform or "Black Box" theatres are highly adaptable spaces which may serve a wide range of academic, recreation and arts functions. As distinguished from more traditional theatre forms, seats are not fixed and the performance area may be set up at several different locations. Flat floor activities are possible with all seats in storage.

Major Physical and System Features (Applies to school, community, guest use)

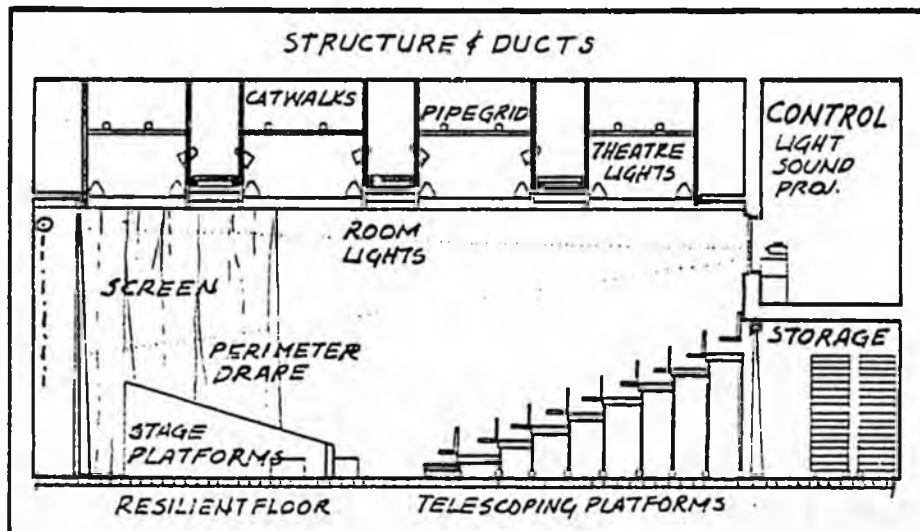
- Flexible seating in the 100 to 300 range, pending size of architectural envelop; typical 60'x70'x30' for approximately 200 seats; seating capacity larger than 350 is problematic.
- Telescoping platforms which are portable and store in seat storage area; chairs are integral and upholstered. End stage, arena, thrust seating arrangements are possible or entire flat floor area may be cleared.
- Seat storage open to room.
- Resilient wood "stage" floor throughout space.
- Control Booth over seat storage.
- Actor/Audience circulation on a minimum of three sides (circulation corridor outside of space).
- Overhead Support System of catwalks and pipe grid for: scenery, curtains, tracks; audience and general illumination; theatrical lighting.
- Light, Sound, Projection Control Booth.
- Vertical access to catwalks and Control Booth.
- Direct access to support spaces - See Support Space Checklist.
- Acoustic Provisions: Sound/light lock vestibules; sound isolating construction and special doors; mechanical system noise control (NC 15-20); reverberation, echo, flutter control.
- Lighting: General illumination; task lighting (Control Booth); worklight; dim audience light; theatrical lighting control and distribution.
- Sound: Recording/playback; effects; theatre communication (production communication and monitor page); speech and music reinforcement.
- Television: Tie lines; teleproduction; television projection.
- Projections: 16 mm film; 35 mm slides; super 8 mm; screens.
- Other: Dance bar and mirror; touring show provisions (power and distribution for light and sound).

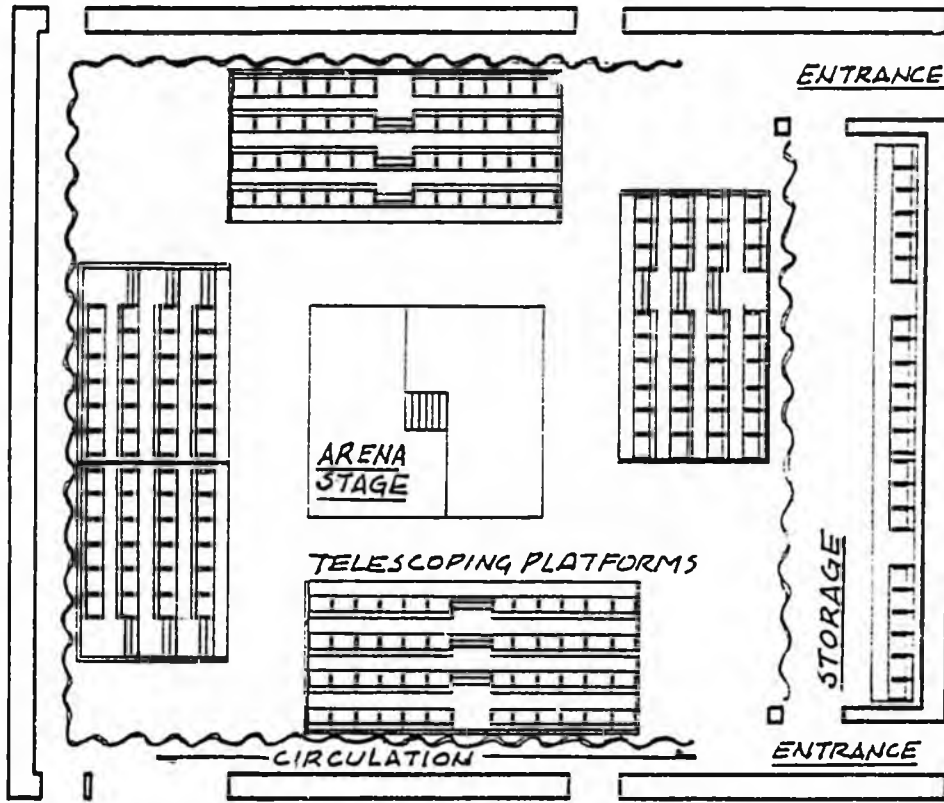


PLAN.

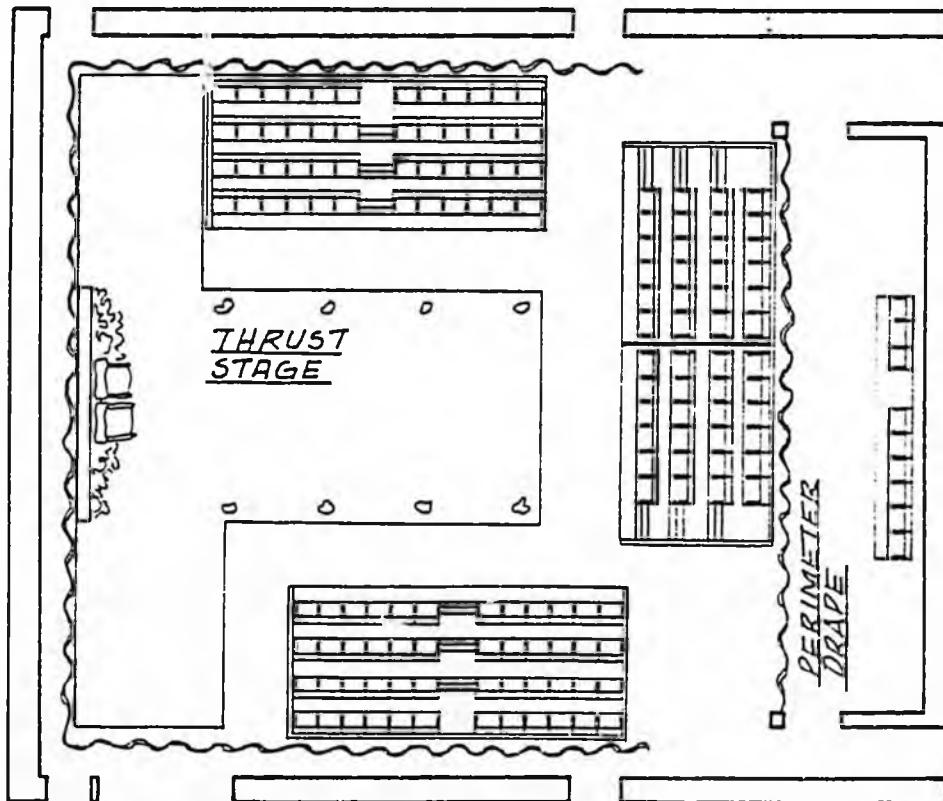


SECTION.

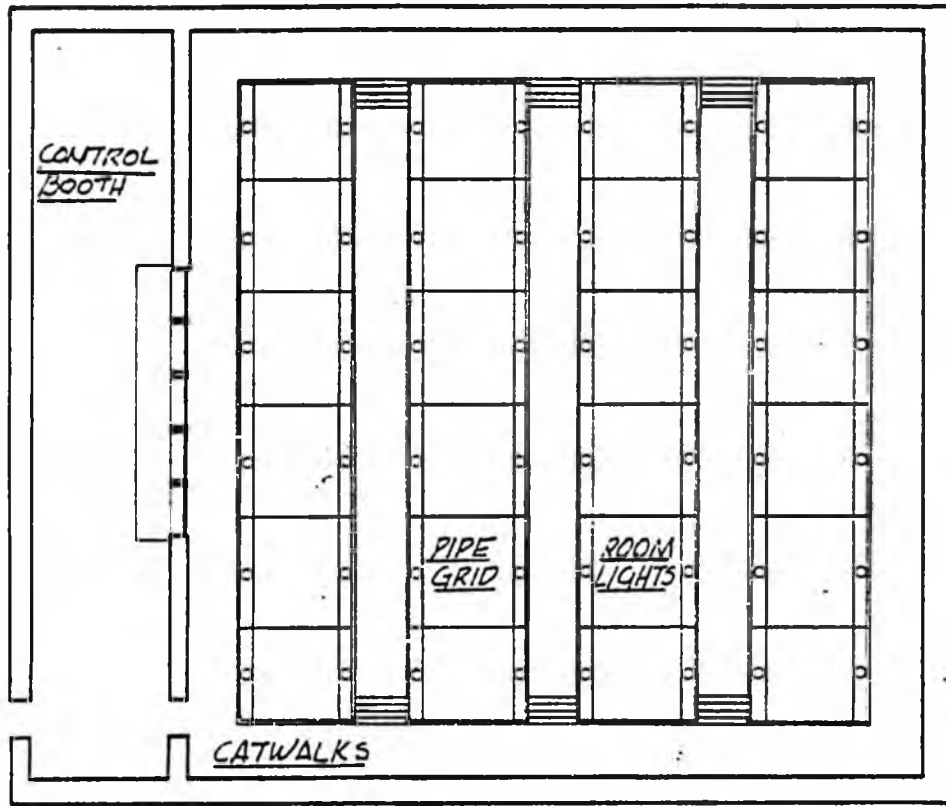




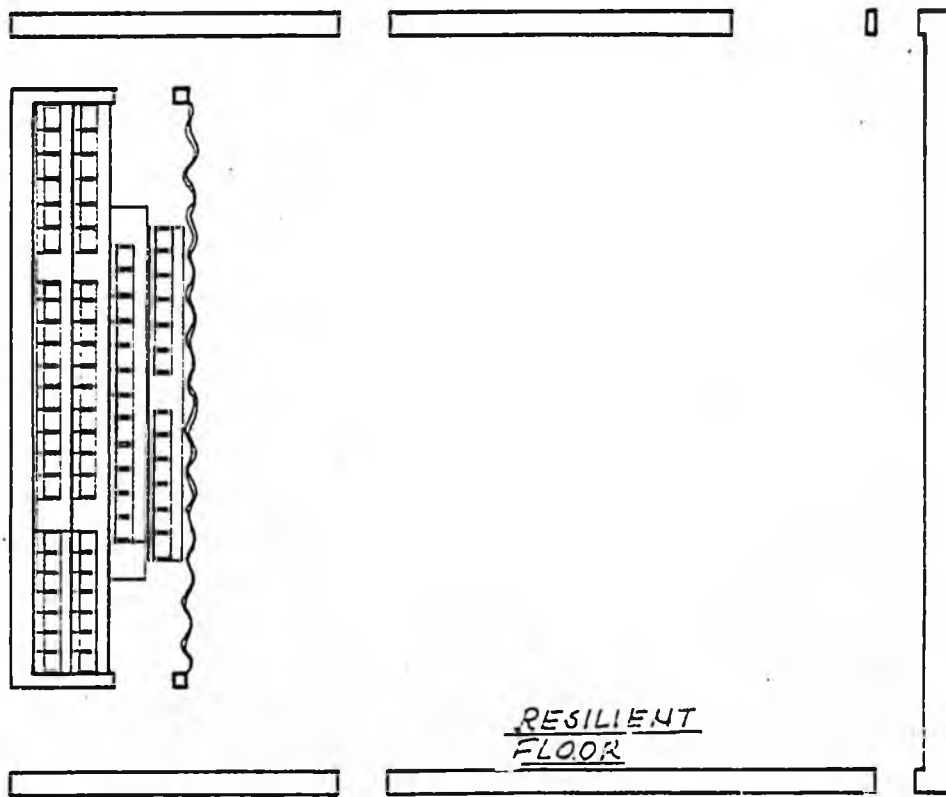
• CENTRAL STAGE •



• THRUST STAGE •



• CATWALK / CONTROL •



• FLOOR PLAN / SEAT STORAGE •

Major Functional Capabilities (Applies to school, community, guest use)

- Music: Choral and instrumental and small group instruction and rehearsal; solo and small group performance. Very limited capability for large ensemble presentation; orchestra pit is problematic but possible. Limited festival and touring use.
- Theatre: Classroom for theatre skills courses; rehearsal; small scale production with variable seating configurations; lyric theatre (musicals, operetta) limited; orchestra pit is problematic but possible. Very limited for large scale production using scenery and scene shifting. Childrens theatre, mime, puppets, creative dramatics. Limited festival and touring show use.
- Dance: Classroom for dance skills and rehearsal; small scale contemporary, ethnic, jazz dance forms; very limited for classical ballet presentation, orchestra pit problematic. Limited touring show use.
- Speech/Language Arts: Classroom and public assembly for speakers, meetings, panel discussion, demonstrations.
- Media: Film, slide, television presentations; adaptable to film and television teaching and video tape.
- Other School/Community Use: Art exhibits; small craft shows; social dances and receptions; inservice programs; general classroom; interdiscipline projects. Workshops, seminars, master classes all disciplines.
- Scheduling: Nominal set up time for small groups, classes, and informal activities; approximately one to two hours to shift all seats into play position.
- Aesthetics: Biggest design challenge is providing sense of civic theatre for major events. Limits scale of music, dance, theatre presentations staged locally or by touring companies.

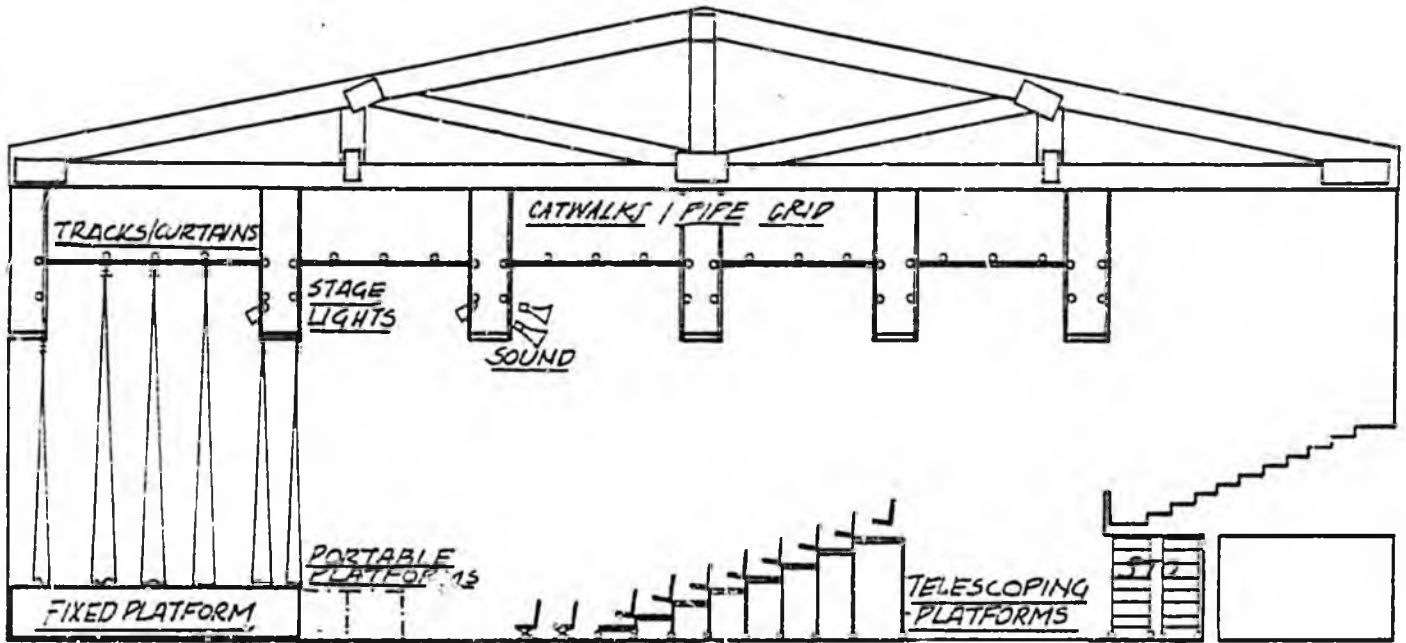
CONCEPT TWO - GYMNASIUM THEATRE

(See Drawing #4)

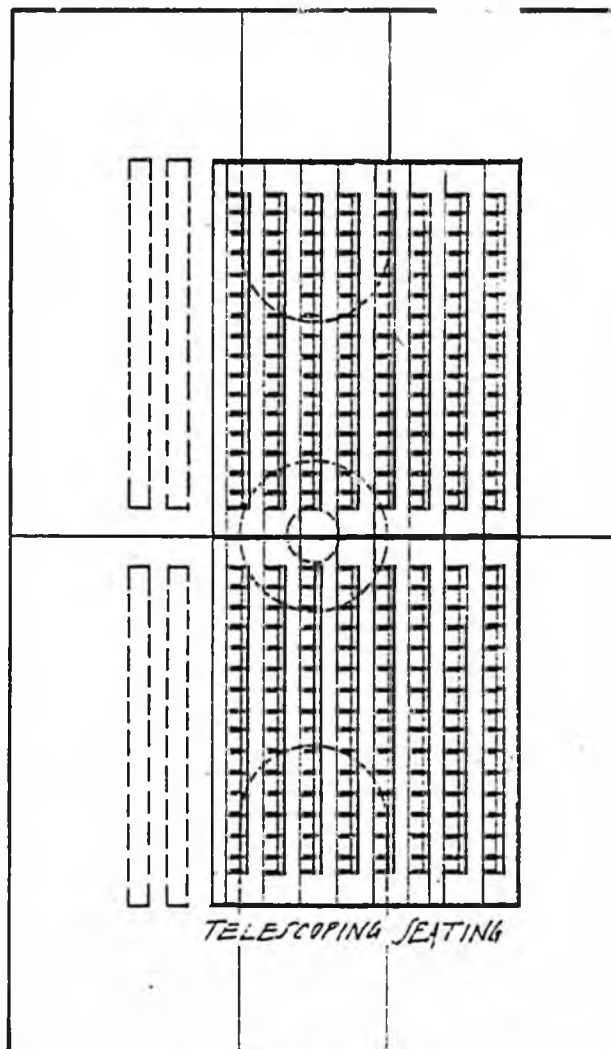
This concept is based on expanding the capability of a space whose primary function is recreation and athletics. This solution borrows heavily from the Multiform Concept suggesting the fixed portion of the stage platform may be at the end or side of the playing court. Though gymnasiums may be converted into performing spaces, access to these spaces for public events, set up, and rehearsal is generally very limited due to intense scheduling for recreation and athletic events. Selection of this concept typically is an interim solution for the performing arts.

Major Physical and System Features (Applies to school, community, guest use)

- Raised permanent platform stage beyond playing court. Platform stage used for athletic and recreational activities when not in use as stage. Athletic event bleachers may be used on platform, and stored at back wall of stage.
- Flexible seating in the 200 to 300 range plus bleachers; capacity is adjusted to community and gymnasium size.
- Telescoping platforms which are portable and store in seat storage area; chairs are integral and upholstered.
- Portable platforms for various seating arrangements may be used. It is not recommended that portable platforms be the only method for stage events; see permanent stage above. Portable platforms may be used as permanent stage extension.
- Resilient wood permanent stage floor.
- Control Booth may be enclosed space above bleachers or portable equipment; enclosed space preferred.
- Actor circulation from platform to support spaces by way of corridor or masking curtains.
- Overhead Support System: catwalks and pipe grid for: scenery, curtains, tracks, audience and general illumination; theatrical lighting; sports lighting; sound.
- Vertical access to catwalks and Control Booth.
- Acoustic Provisions: sound/light lock vestibules; sound isolating constructions and special doors; mechanical system noise control (NC 15-20); reverberation; echo; flutter control. Portable orchestra shell and overhead reflecting panels.
- Lighting: general illumination; task lighting (Control Booth); work light; dim audience lights; theatrical lighting control and distribution; sports/recreation lighting.
- Sound: Recording/playback; effects; speech and music reinforcement, theatre communication (production communication and monitor page).
- Tracks and Curtains: masking and scenery.
- Television: tie lines, camera locations, power, cable pathway.
- Projection: pending Control Booth.
- Other: Dance bar and mirror at permanent stage; touring show provisions (power and distribution for light and sound).



SECTION



PLAN

Major Functional Capabilities (Applies to school, community, guest use)

NOTE: Multipurpose, shared use of the gymnasium may be severely limited for performing/communication arts activities due to gymnasium's use as an athletic and recreation space. Though activities noted below are technically manageable in a gymnasium with a fixed platform, these activities may be significantly reduced in scope and quality due to scale and accessibility of space.

- Music: Choral and instrumental and small group instruction and rehearsal; greater large ensemble presentation potential than multiforum Theatre. Orchestra pit not practical. Limited festival and touring use.
- Theatre: Limited classroom use for skills and rehearsal. Small scale production. Orchestra pit not practical. Very limited use for children's theatre, mime, puppets, creative dramatics. Limited festival and touring show use.
- Dance: Classroom for dance skills and rehearsal; small scale contemporary, ethnic, jazz dance presentations. Very limited for classical ballet presentation. Orchestra pit not practical. Limited touring show and festival use.
- Speech/Language Arts: Public forms, meetings. Very limited for all other small group and instructional activities.
- Media: Film, slide, television presentations; adaptable to film and television teaching and video tape.
- Other School/Community Use: Art exhibits, craft shows; social dances; receptions; in-service programs; general classroom; limited use for interdisciplinary projects, workshops, seminars, and master classic disciplines.
- Scheduling: See note above regarding accessibility; long set up and turn overtime; activity conflict.
- Aesthetic: Scale and design of gymnasium are not generally supportive of performing/communication arts. This solution does measurably limit the range of arts activities.

Note: Though a Gymnasium Theatre solution is likely to be the least desirable concept, it may be the only available solution in some communities. Should this be the case, then it is recommended that the provisions noted above be implemented. These provisions will be cost effective and will contribute to the education of students and the cultural enrichment of the community.

CONCEPT THREE - PROSCENIUM AND END STAGE THEATRE

(See Drawings 5, 6, 7)

Represented in Drawings #5, 6, 7.

Note: The essential difference between the proscenium (#5 and #6) and end stage theatre(#7) shown is the deletion of the fly loft. All other provisions are similar. There are many variations of Proscenium Theatre. The concept shown is a "hybrid" variant which utilizes side decks, vomitories, and a partial thrust (lift plus apron) in addition to the traditional Proscenium Theatre elements. More "conventional" Proscenium Theatres are also appropriate as school theatre space concepts. Variants are used to expand the flexibility of this fixed seat form. As a rule, other fixed seat forms such as the arena and thrust are not used in school theatres due to their limitations for multi-event scheduling.

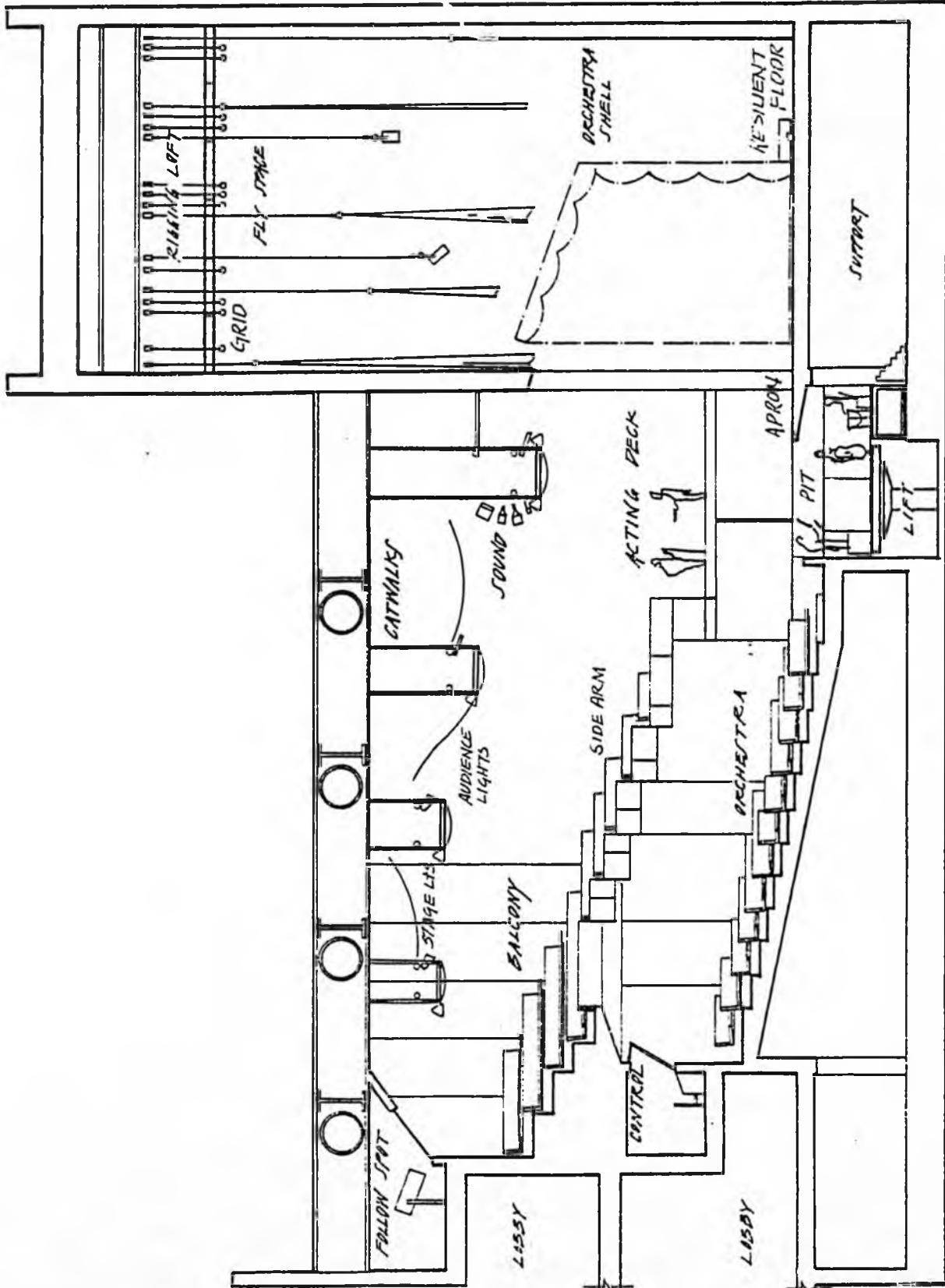
Major Physical and System Features (applies to school, community, guest use)

- Fixed seating, with seats on axis to the stage. Capacity is dictated by program. However, "cost effectiveness" of this form is questionable under three hundred seats. Seating may be continental (shown) or conventional pending program, code, building layout. Seating should be stepped for best sightlines.
- Seating may be on two levels (orchestra and balcony shown); two levels are generally preferred for variable seating capacity and room acoustics.
- Light, Sound, Projection Control Booth located at rear of orchestra seating.
- Follow Spotlight Deck or Booth along Control Booth or rear of upper level.
- Catwalks over audience for audience light, sound system, theatrical lighting, support of sound reflecting panels.
- Acoustic Provisions: Sound light lock vestibules; sound isolation constructions and special doors; Mechanical system noise control (NC 15-20); Reverberation, echo, flutter control; orchestra shell; sound absorbing draperies.
- Orchestra Pit: Automated or Manual.
- Apron.
- Side light slots.
- Vertical access to catwalks, booths, side light slots, pit.
- Stage provisions (Proscenium); resilient wood floor; wings; shell storage; fly spaces; grid; loft; galleries.

- Stage provisions (End Stage): resilient wood floor; wings; shell storage; pipe grid and catwalks.
- Lighting: general illumination; task lighting; work light; dim audience light; theatrical lighting control and distribution.
- Rigging, Curtains, Tracks (Proscenium): manual counterweight rigging for flying curtains, tracks, lights, scenery, orchestra shell ceiling.
- Curtains, Tracks (End Stage): Horizontal shifting of curtains and scenery, lights are hung from catwalks.
- Sound: Recording/playback; effects; Speech and music reinforcement; theatre communication (Production Communication and Monitor Page).
- Television: tie lines; camera locations; power; cable pathway.
- Projection: 16mm film; 35 mm slides; television.
- Other: Touring show provisions (power and distribution for light and sound).

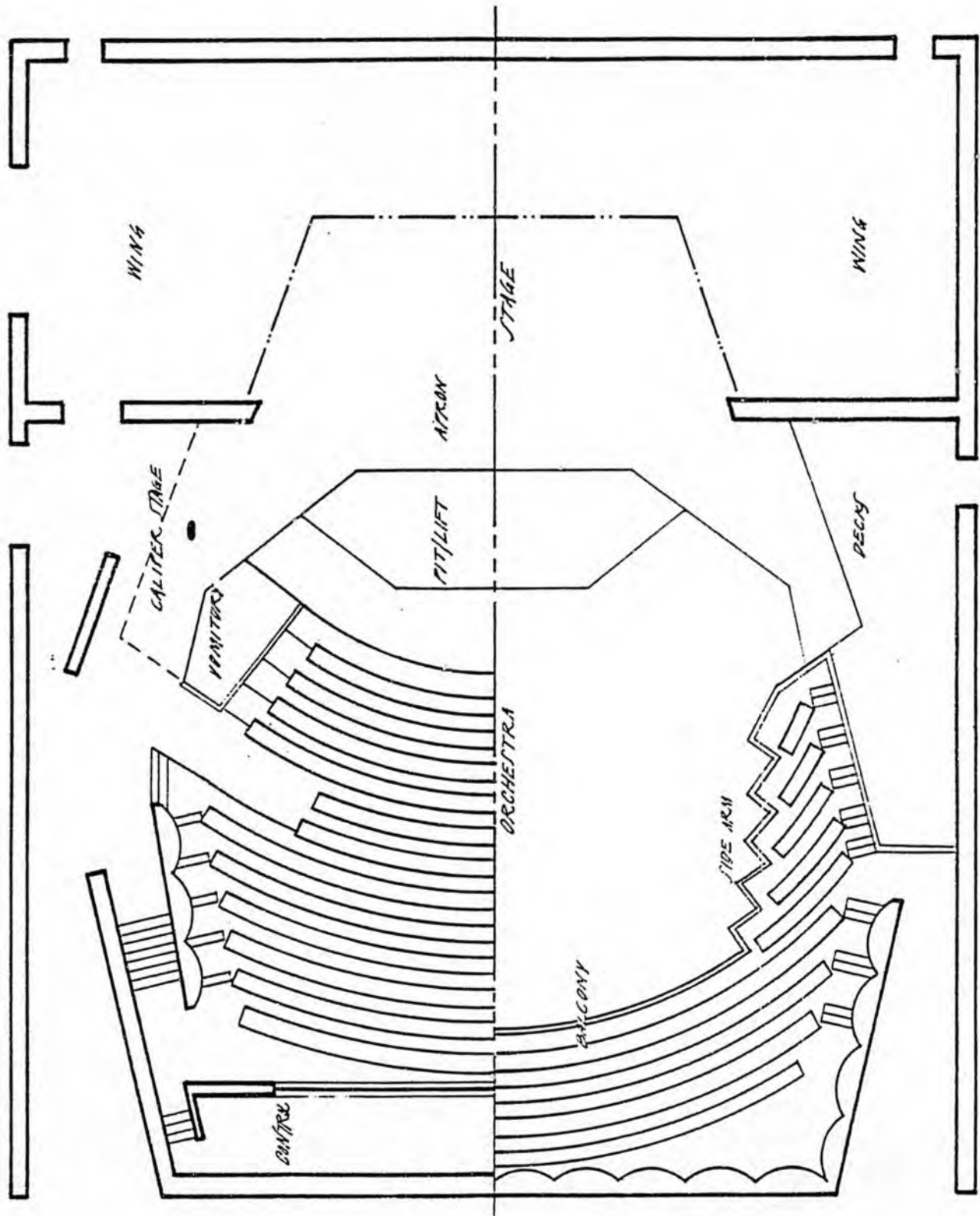
Major Functional Capabilities

The Proscenium Theatre has the fewest limitations for music, drama, dance, speech, media and language arts activities. However, it must also be said this fixed seat space concept is the most expensive and technically the most challenging to construct and operate. "Traditional" theatre forms typically convey the most immediate sense of a civic and school center and best serve touring artists. However, the Proscenium Theatre is not well suited for a range of school activities which lie outside the performing/communication arts. In many small Alaskan communities it is not practical to consider a Proscenium or Endstage Theatre unless the concept is reinforced by a strong community tradition in the performing arts, anticipation of a significant number of touring events, or plans for a major festival or tourist show.



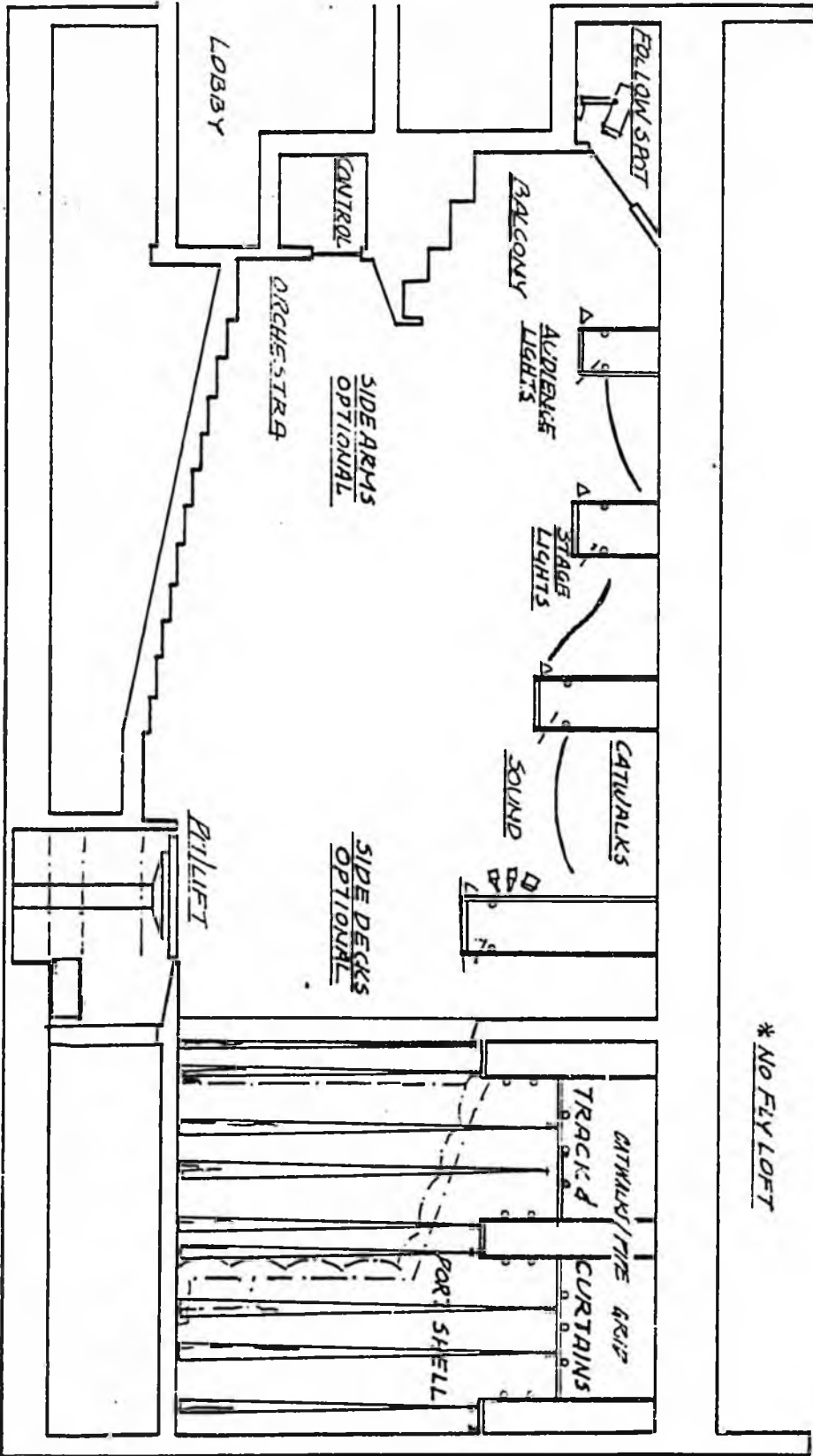
PROSCENIUM THEATRE

SECTION



STAGE / HALF SEATING PLAN.

FROCENNIUM THEATRE



* NO FLY LOFT

END STAGE *

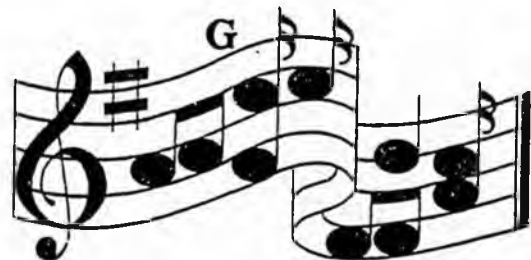
The selection of support spaces logically follows the selection of an architectural concept for the "primary" arts training/public assembly space. In small communities with limited arts programs and resources, the "primary" performance space may serve many functions. For instance, a large group instruction room or a library or gymnasium may be "upgraded" to include arts education and event scheduling. The success of such "upgrading" or expanded capability depends in part on good support space provisions.

There is almost unlimited variation in the quantity and type of support spaces that may be included for school performing/communication arts activities. Likewise, many school spaces programmed for other functions may, with modest additions and careful building layout, serve performing/communication arts functions. A student commons may be used as a lobby, a wood or metal shop may double as a scenery shop, a home economics lab may function for costume construction and a large group instruction room may be used for choral and instrumental rehearsal. The support space checklist is provided as a summary of functions associated with community and school performing arts programs. The design team should incorporate these functions into the total school space design. In many instances double or triple function is practical. The number and sophistication of support spaces should be determined in a project by project evaluation.

Each space should be evaluated for function priority, multi-use potential, circulation, code, and special requirements. The analysis of support functions and their corresponding spaces must be among the earliest program and design considerations.

Music Checklist

- Choral Rehearsal
- Instrumental Rehearsal
- Small Group Rehearsal
- Individual Rehearsal
- Music Library
- Instrument Storage
- Uniform and Music Equipment Storage
- Faculty Studios
- Artist in Residence Studio
- Piano Lab
- Classroom - Theory and Appreciation
- Listening Lab
- Recording Studio
- Other



Dance Checklist

- Rehearsal Room
- Changing Room/Costume Storage
- Other

Theatre Checklist

- Lobby/Gallery/Exhibit
- Box Office
- Concessions
- Coat Room
- Rest Rooms
- Follow Spotlight Booth
- Control Booth: Light, Sound, Projection
- Orchestra Pit
- Trap Room
- Orchestra Shell Storage
- Drama Rehearsal Room
- Scenery Shop and Storage
- Costume Shop and Storage
- Loading Dock
- Dressing Rooms
- Green Room
- Storage - Props, Equipment, Costumes, Scenery
- Piano Storage
- Backstage Office(s)
- Dimmer Equipment Room
- Lift Equipment Room Speech/Language Arts
- General Classroom



Media

- Television, Film Studio
- Photo Labs
- Journalism Lab
- AV Equipment Lab

SYSTEM CONCEPTS

Performing arts spaces, like vocational shops or computer labs, are system intensive. Add to this the fact that shared and multi-use spaces often rely on systems for their conversion from function to function and it is apparent that early system planning is very important. Early planning for systems should focus on the following issues:

- Concepts which maximize space flexibility.

Examples:

Use of lighting systems to convert and reshape spaces for athletic, recreation, and arts activities.

Use of portable seating systems for changing space configurations and room function.

Use of tracks, curtains, and rigging to alter room function and room acoustics.

Use of special floor surfaces for multi-event scheduling.

- System provisions which must be incorporated in early design to insure compatibility of spaces, systems and multiple use options.

Examples:

Heavy demand electrical loads

Structures suitable for large clear span spaces and heavy loads

Sound isolating constructions

Provisions for guest performers

- Special Alaska problems

Service and ongoing maintenance

Shortage of trained operators

Interrupted power

Shipping and installation costs--early budget projections

The checklists and drawings for Space Concepts indicate major performance system requirements. It is beyond the scope of this document to propose specific designs for these systems. That is the province of the design team engineers and consultants. However, it is recommended that system concepts be given very high priority in early planning.

Building systems which will have the greatest impact on the performing/communication arts and multiple use scheduling include:

- HVAC -- Room acoustics, mechanical system noise control
- Structures and Materials -- Noise control and special equipment loading
- Finishes -- Room acoustics
- Electrical -- Lighting and sound systems

The performance systems which will have the greatest impact on space design include:

- Seating -- Fixed and/or movable
- Lighting -- Theatrical, audience, work/rehearsal, athletic/activity, general illumination
- Rigging, curtains, tracks
- Orchestra lift
- Orchestra enclosure
- Television
- Projection
- Sound -- reinforcement, communication, record, playback, monitor
- Special floor surfaces
- Touring show provisions

Each of the systems noted should be evaluated for functional priority, multi-use potential, special code and building provisions. Early budget projections are essential to "protect" system concepts for the duration of the design and construction process.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



Superseded

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
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Senate Committee on Health, Education and Social Services

April 3, 1985

Sectional Analysis of CS SB 51 (HESS)

Section 1 establishes a school construction grant account. School districts must repay to the state 10 percent of the funds received from the account within 10 years or contribute a like amount in kind.

Section 2 requires that school districts apply for school construction grants no later than October 15 of the fiscal year before the year for which the request is made.

Section 3 sets out the eligibility requirements a district must meet to receive a school construction grant. The district must be bonded to capacity or be unable to sell bonds, agree to an appropriately-sized facility, give public notice of the project, and demonstrate need for the project by establishing a projected long-term enrollment or have facilities requiring repair or replacement. Grant money may not be used for residential space, hockey rinks, planetariums, saunas, and other single purpose sporting facilities except for a small swimming pool or other water sports facility.

Section 4 amends the existing school construction debt retirement provisions (AS 14.11.100(a)). It limits the existing 50 percent retirement program to bonds approved and cash payments made before July 1, 1985.

Section 5 establishes a new provision for retirement of 80 percent of a municipality's bonded indebtedness authorized after June 30, 1985, for school construction. There is no provision for the reimbursement of cash payments after June 30, 1985.

Section 6 provides that State funds used to retire debt at 80 percent may not be used for the kinds of facilities described in Section 3, above.

Section 7 makes a technical amendment to AS 14.11.100(i) to clarify the application of that provision to the 50 percent retirement provision under AS 14.11.100(a)(5).

Section 8 sets out the requirements a municipality must meet before debt may be retired under the provisions added by Section 5 of the bill. The Commissioner of Education must approve the project before the local vote on the bond issue, as under current law. In approving the project, the commissioner must require the municipality to include the estimated costs, including operating and maintenance costs of the project in the ballot for the bond issue; provide for repayment of the bonds over a period of at least 10 years as under current law; demonstrate need for the project by establishing a projected long term enrollment or have facilities requiring repair or replacement; agree to an appropriately sized facility; and reduce the bond issue by taking into account interest that will be earned on the revenue of the bond issue during the repayment period.

Section 9 requires that reimbursement projects undergo prioritization by the commissioner as is done for grant projects, and requires that application for reimbursement be made no later than October 15 of the fiscal year before the year for which the request is made.

Section 10 amends AS 14.11.135 to apply the definitions in that section to the new provisions added by the bill, and defines "school district" to include municipal districts and REAAs.

Section 11 repeals the existing provisions providing for a public school construction advance account. The Department has indicated that this section was intended for districts who have reached their bonding capacity. The grant account established in Section 1 fulfills this need.

Section 12 provides for an effective date of July 1, 1985.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



Senate

Committee on

Health, Education and Social Services

April 17, 1985

Sectional Analysis of CS SB 51 (HESS)

Section 1 establishes a school construction grant account. School districts must repay to the state 10 percent of the funds received from the account within 10 years or contribute a like amount in the form of real property, site preparation, or capital improvements.

Section 2 requires that school districts apply for school construction grants no later than October 15 of the fiscal year before the year for which the request is made.

Section 3 requires the Department to rank requested projects in the following order of priority: health and safety, unhoused students, protection of structure, operating cost savings, building code upgrade, and functional upgrade. Current statute requires that this list be provided to the Governor and the Legislature.

Section 4 lists other factors to be evaluated in the prioritization process: local priorities, emergency requirements, number of students without classroom space, new programs, existing facilities, and the economic stability of the municipality.

Section 5 sets out the eligibility requirements a district must meet to receive a school construction grant. The district must agree to an appropriately-sized facility, and demonstrate need for the project by a projected long-term enrollment or facilities requiring repair or replacement. Grant money may not be used for student residential space, hockey rinks, planetariums, saunas, and other single purpose sporting facilities except for a small swimming pool. A grant may not be awarded until voter approval of the grant money is received. Interest earned on grants must be used for project costs.

Section 6 amends the existing school construction debt retirement provisions by limiting the existing 50 percent retirement program to bonds approved and cash payments made before July 1, 1985.

Section 7 increases from 50% to 75% the reimbursement for debt incurred before July 1, 1985. (Section 20 provides an effective date of July 1, 1986 for this section.)

file SB 51

superseded

OUCH V
STATE CAPITAL
NEAU, ALASKA 99811
(907) 465-3834
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Section 8 establishes a new provision for retirement of 75 percent of a municipality's bonded indebtedness authorized after June 30, 1985 for school construction. There is no provision for the reimbursement of cash payments after June 30, 1985.

Section 9 provides that State funds used to retire debt at 75 percent may not be used for the kinds of facilities described in Section 5 above.

Section 10 makes a technical amendment to AS 14.11.100(i) to clarify the application of that provision to the 50 percent retirement provision under AS 14.11.100(a)(5).

Section 11 sets out the requirements a municipality must meet before debt may be retired under the provisions added by Section 8 of the bill. The Commissioner of Education must approve the project before the local vote on the bond issue, as under current law. In approving the project, the commissioner must require the municipality to include the estimated costs, including operating and maintenance costs of the project, in the ballot for the bond issue; provide for repayment of the bonds over a period of at least 10 years as under current law; demonstrate need for the project by a projected long term enrollment or facilities requiring repair or replacement; and agree to an appropriately sized facility.

Section 12 provides that interest earned on the proceeds of bonds issued for a project be used only to pay the costs of the project and costs associated with the bond issue.

Section 13 requires that reimbursement projects undergo prioritization by the commissioner as is done for grant projects (under Sections 3 and 4), and requires that application for reimbursement be made no later than October 15 of the fiscal year before the year for which the request is made.

Section 14 amends AS 14.11.135 to apply the definitions in that section to the new provisions added by the bill, and defines "school district" to include municipal districts and REAAs.

Section 15 requires the Department to adopt regulations to carry out the purposes of this chapter. Proposed permanent regulations must be submitted to the Legislature, and become effective unless a law is enacted disapproving the regulations.

Section 16 requires municipalities that accept grants for school construction to meet the eligibility criteria set out in Section 5 of this act.

Section 17 clarifies that the eligibility criteria established in Section 11 do not apply to projects that have received approval before the effective date of this act.

Section 18 repeals the existing provisions providing for a public school construction advance account. The Department has indicated that this section was intended for districts that are unable to

bond. The grant account established in Section 1 fulfills this need.

Section 19 establishes an effective date of July 1, 1985, except as provided in Section 20.

Section 20 delays the effective date of Section 7 (which increases the current 50% reimbursement level to 75%) until July 1, 1986.

file SB 51

MEMO TO: Josefa E. Wortman, Chief Financial Officer
Fairbanks North Star Borough

FROM: Lora J. Stovall
Bartle Wells Associates

SUBJECT: Borough Bond Issuance Policies

DATE: February 14, 1986

In our service as the borough's financial advisor since 1976 we have made two primary recommendations:

- The borough's bonds should be sold competitively.
- The borough's bonds should be sold in series as funds are needed for construction.

This letter will elaborate on the reasons for our past recommendations, which we still believe are in the borough's best interest for its upcoming bond issues.

COMPETITIVE VS. NEGOTIATED SALE

As financial advisor we have analyzed the results of many bond sales and have concluded that, in the vast majority of cases, competitive sales mean lower interest rates than negotiated sales. As a case in point, the following scales (page 2) are from the same underwriter, during the same week, for bonds with the same rating from Moody's. Interestingly, the lower-priced competitive sale had a rating of BB (below investment grade) from Standard & Poor's, while the higher-interest negotiated issue was rated BBB by Standard & Poor's. The negotiated issue was larger but was not a particularly large issue.

Issue sizes also tend to be smaller with competitive sales, which further reduce costs. Discount allowances are controlled. Reserve requirements and capitalized interest can be carefully watched to provide the necessary security at lower funding levels. The sale, closing, and delivery process is simpler and faster because the issuer sets the terms and the underwriter's bid explicitly accepts those terms.

Negotiated sales have their place on issues which are complicated or have extenuating circumstances, such as high delinquency rates or debt levels, risky projects, and on issues such as refundings, mortgage revenue bonds, and variable-rate bonds.

	SALE NO. 1	SALE NO. 2
Sale date	10/15/84	10/10/84
Rating - S&P	BBB	BB+
Rating - Moody's	--	Baa
Maturities	1988-2010	1987-2005
Placement	Negotiated	Competitive
Number of bids	--	5
Interest rates:		
1987		12.00*
1988	9.00	12.00
1989	9.50	12.00
1990	10.00	12.00
1991	10.50	9.50
1992	10.70	9.70
1993	10.80	9.90
1994	10.90	10.00
1995	11.00	10.10
1996	11.10	10.20
1997	11.20	10.30
1998	11.20	10.40
1999	11.25	10.50
2000	11.25	10.60
2001	↑	10.60
2002	↑	10.75
2003	↑	10.75
2004	↑	10.75
2005	Term	10.75
2006	↓	
2007	↓	
2008	↓	
2009	↓	
2010	11.50	
Discount	\$1,980,000 (4.5%)	\$47,203 (1.97%)
Net interest cost	~ 11.4%	10.71934%
Bond Buyer index (revenue)	10.93%	10.93%

*Interest rates from bid submitted by second bidder. Winning bid had NIC=10.4888%, discount of 1.94%.

SALE OF BONDS IN SERIES

When Bartle Wells Associates was hired as the borough's financial advisor, the borough was selling bonds in series of \$3 million. We initially recommended that the borough increase the size of its issues. Our initial sale of borough bonds was the \$15.5 million Series K, sold in 1976. We managed the sale of four series of bonds for the borough for school construction from 1982 through 1984. Our recommendations for the sale of the borough's bonds have been based on the following criteria:

- Bond issues should be small enough to stimulate competition in underwriting.
- Bond issues should be large enough to be cost-effective.
- In a series of financings each issue should finance one to one-and-a-half years of construction.
- The final bond sale of a sequence should consist of only the amount of bonds necessary to complete the construction projects.

The borough's voters authorized \$70.3 million in school bonds in 1982—\$2 million for Two Rivers School, \$50 million for three elementary schools (ultimately Pearl Creek, Badger Road, and Rosamund Weller Schools), and the North Pole Junior/Senior High School improvements—and \$18.3 million for the North Pole High School and Junior High School remodeling. The bonds were sold in four series totaling \$64 million:

Series	Amount	Sale Date	Net Interest Cost
L	\$17,000,000	1/26/82	12.25%
M	20,000,000	7/22/82	11.30
N	20,000,000	5/19/83	9.38
O	7,000,000	4/26/84	8.23

Each issue was designed to produce the lowest net interest cost at the time of sale. \$6.3 million of authorized bonds were not sold because the project costs were lower than originally estimated. With voter approval, these bonds have been reallocated to additional projects.

The question borough staff has raised is: which is the most cost-effective technique—to sell bonds in series as we have advised, or to sell the full bond authorization promptly following voter approval and invest the proceeds until the funds are spent for construction. We have analyzed the actual results of the four series of bonds sold from 1982 to 1984 against the hypothetical results had the full authorizations

been sold earlier. The hypothetical sale of the full authorizations is based on the maturity schedule design and interest rates bid on the actual sales closest to the bond authorization date. Proceeds from all sales are assumed to have been invested at the bond interest rate (zero arbitrage). Actual reinvestment rates during the period would have varied over time and over the term of the investment, with some higher than the bond rate and some lower. The results of our analysis are summarized below. The supporting calculations follow this letter.

<u>Actual Bond Sales</u>	
Total principal	\$ 64,000,000
Total interest	60,496,375
Estimated earnings	(2,721,700)
Net cost	<u>\$121,774,675</u>
Average net interest cost	10.0565%
<u>Bonds Sold as Authorized</u>	
Total principal	\$ 70,300,000
Total interest	65,239,875
Estimated earnings	(6,845,400)
Net cost	<u>\$128,694,475</u>
Average net interest cost	10.723%
Net savings	\$ 6,652,100

The net savings to the borough (and to the state, through the reimbursement program) was more than \$6.6 million. Interest rates were declining in the period from 1982 through 1984, as demonstrated in the net interest costs on the borough's bond issues. Reinvestment rates also declined. This is shown in the significantly lower estimated earnings for the actual sales than for the hypothetical sales. Had interest rates risen during the period shown, the net costs to the borough and state of the hypothetical sales would have been relatively higher. We believe the most significant savings was in the borough's ability, through staging its bond sales to match construction results to date, to complete its projects while selling \$3.6 million less than its total authorization of bonds. These bonds were subsequently reallocated, with voter approval, to other projects.

We believe that bonds are authorized by the voters for specific purposes and that bond proceeds, including earnings from the investment of those proceeds, should be used for those purposes and are not general funds of the borough. Furthermore, federal tax law is designed to prevent "overissuance" of bonds, i.e., to restrict the issuance of tax-exempt bonds to the amount necessary to construct specific projects within a three-year period, with allowances for the costs of borrowing, including bond reserve funds, capitalized interest, and issuance expenses. An estimate of anticipated earnings from the investment of bond proceeds is very commonly used to reduce the size of the bond issue to prevent overissuance.

FAIRBANKS NORTH STAR BOROUGH

ACTUAL DEBT SERVICE

Series	Principal	Interest	Total
L	\$17,000,000	\$15,618,750	\$ 32,618,750
M	20,000,000	19,096,500	39,096,500
N	20,000,000	23,640,225	43,640,225
O	7,000,000	2,140,900	9,140,900
Totals	<u>\$64,000,000</u>	<u>\$60,496,375</u>	<u>\$124,496,375</u>

Total bond years	574,500
Net interest, combined issues (total interest ÷ total bond years)	10.5303%

ESTIMATED INTEREST EARNINGS

Series	Average Balance*	Investment Term	Rate	Earnings
L	\$ 8,500,000	6 mo.	12.25%	\$ 520,625
M	10,000,000	1 yr.	11.30	1,130,000
N	10,000,000	1 yr.	9.38	938,000
O	3,500,000	6 mo.	8.23	144,025
				<u>\$2,721,700</u>

*Assumes equal drawdown of principal over investment term shown;
average balance equals half of principal amount.

FAIRBANKS NORTH STAR BOROUGH

HYPOTHETICAL DEBT SERVICE

Series L-1: Principal amount \$52,000,000
 Dated 2/1/82
 Maturing 2/1/85 through 2/1/94
 Equal annual principal payments of \$5,200,000
 Interest rates:
 1984-90 12.00%
 1991 12.25%
 1992-94 12.50%
 Net interest cost 12.25%

Series M-1: Principal amount \$18,300,000
 Dated 8/1/82
 Maturing 8/1/85 through 8/1/94
 Graduated principal payments
 Interest rates:
 1985-93 11.25%
 1994 11.50%
 Net interest cost 11.30%

Series	Principal	Interest	Total
L-1	\$52,000,000	\$47,775,000	\$ 99,775,000
M-1	18,300,000	17,464,875	35,764,875
Totals	<u>\$70,300,000</u>	<u>\$65,239,875</u>	<u>\$135,539,875</u>

Total bond years	544,550
Net interest, combined issues (total interest ÷ total bond years)	11.9805%

ESTIMATED INTEREST EARNINGS

Series	Average Balance*	Investment Term	Rate	Earnings
L-1	\$26,000,000	18 mo.	12.25%	\$4,777,500
M-1	9,150,000	2 yr.	11.30	2,067,900
				<u>\$6,845,400</u>

*Assumes equal drawdown of principal over investment term shown;
 average balance equals half of principal amount.

DEBT SERVICE SCHEDULE

CS
02-14-86

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FISCAL YEAR	PRINCIPALS	REIMBURSE- MENT	NET COST to KORO.
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FY 85	06/30/85	12,751,825	12,235,373	(516,452)
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FY 86	06/30/86	14,418,275	13,559,005	(859,270)
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FY 87	06/30/87	14,284,675	13,558,737	(725,938)
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Final

SB 51 -- School Construction

Senate HESS
May 11, 1985

SENATE	HOUSE	CONFERENCE
75% reimbursement	80% reimbursement	80% reimbursement
no reimbursement of cash payment	reimbursement of cash payment	reimbursement of cash payment
projects that exceed Department's space guidelines are ineligible for state funding	state funds can't be used for portion of project that exceeds space guidelines	state funds can't be used for portion of project that exceed space guidelines
estimated O&M costs must be included on ballot for bond issue	not required	estimated O&M costs must be included on ballot for bond issue
limits state aid to needed projects, demonstrated though a projected long term student enrollment, unmet program needs, or facilities requiring repair or replacement	limits state aid to needed projects, demonstrated though a projected long term student enrollment, unmet program needs, or facilities requiring repair or replacement in order to meet health and safety codes	limits state aid to needed projects, demonstrated though a projected long term student enrollment or facilities requiring repair or replacement in order to meet health and safety codes
interest earned on bond proceeds must be used on project costs or costs of bond issuance	interest must be used on project costs	interest earned on bond proceeds must be used on project costs or costs of bond issuance
requests for approval of debt reimbursement must be submitted by October 15	requests for allocation of funds must be submitted by October 15	requests for allocation of funds must be submitted by October 15

Department must prioritize projects based on weighted factors and present to the legislature

repeals the school construction advance account

requires that regulations be developed and reviewed by the legislature

effective date July 1, 1985

projects must be evaluated and presented to the legislature

does not repeal

not required

effective date July 1, 1986

projects must be evaluated and presented to the legislature

does not repeal

requires that regulations be developed and reviewed by the legislature

effective date July 1, 1985

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

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

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

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

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

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

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

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

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

will be paid by the state and by the municipality;

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

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

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

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment; or

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

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

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

(1) pay the costs of the project;

(2) pay accrued interest on the bond issue;

(3) redeem all or part of the bonds; or

(4) pay the costs of issuing the bonds.

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

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

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

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

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

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

(2) "commissioner" mean the commissioner of education;

(3) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

AN ACT

Relating to state aid for school construction; and providing for an effective date.

* Section 1. AS 14.11.100(a)(5) is amended to read:

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

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

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

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

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

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.
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LAWS OF ALASKA

1985

Source

CCSSB 51

Chapter No.

78

AN ACT

Relating to state aid for school construction; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 2, 1985
Actual Effective Date: July 1, 1985

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19 * Sec. 11. This Act takes effect July 1, 1985.
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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 sidered necessary;

AN ACT

6 Relating to state aid for school construction; and pro-
7 viding for an effective date.

8
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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

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

* Sec. 3. AS 14.11.100(1) is amended to read:

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

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

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

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

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

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

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

will be paid by the state and by the municipality;

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

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

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

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment; or

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

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

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

(1) pay the costs of the project;

(2) pay accrued interest on the bond issue;

(3) redeem all or part of the bonds; or

(4) pay the costs of issuing the bonds.

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

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

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
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(907) 465-3834
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Senate Committee on Health, Education and Social Services

MEMORANDUM

TO: Members, Senate Committee on Health, Education and Social Services

FROM: Committee Staff

RE: Committee Meeting, March 21, 1985

DATE: March 20, 1985

On Thursday, March 21, at 1:30 pm in the Beltz Room, the Senate Committee on Health, Education and Social Services will hear the following bills:

SB 51 and SB 159, Relating to state aid for school construction.

Under existing AS 14.11.100, state aid for retirement of school construction debt is allocated based on payments made by a municipality during previous fiscal years. Current statute provides a 90% reimbursement for bonded indebtedness incurred by a municipality prior to 1983, and a 50% reimbursement for debt incurred after 1983. SB 51 would increase the reimbursement for indebtedness incurred after 1983 to 90%, and provide that funds be distributed pro rata among municipalities having an annual growth rate of 5% or more, with remaining funds distributed among other municipalities. SB 159 would increase reimbursement for indebtedness incurred after 1983 to 75%.

SB 187, An Act relating to adoption.

Current statute authorizes the Department of Health and Social Services to promulgate regulations governing the inspection of original birth certificates of adopted children. Current regulations allow an adult adoptee to request and receive an uncertified copy of his or her original birth certificate. SB 187 would establish a statutory procedure governing access to

Alaska State Legislature

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Senate Committee on Health, Education and Social Services

May 11, 1985

SUMMARY OF CONFERENCE COMMITTEE SUBSTITUTE

SB 51

RELATING TO STATE AID FOR SCHOOL CONSTRUCTION

Section 1 increases from 50% to 80% the reimbursement for bonded indebtedness authorized by a municipality after June 30, 1983 and for cash payments made after June 30, 1983. Existing projects (Wrangell, Kenai, Mat-Su) would be eligible for 80% reimbursement on payments made after the effective date of the act.

Section 2 provides that State funds used to retire debt at 80% may not be used for construction of residential space, hockey rinks, planetariums, saunas and the like. This prohibition applies to existing debt projects.

Section 3 makes a technical amendment to AS 14.11.100(i) to clarify the application of that provision to the 80% retirement provision.

Section 4 sets out the requirements a municipality must meet before debt may be retired under Section 1. The Commissioner of Education must approve the project before the local vote on the bond issue as under current law. In approving the project, the commissioner require the municipality to include the estimated operating and maintenance costs on the ballot for the bond issue, demonstrate need for the project by a projected long term enrollment or facilities requiring repair or replacement, and provide for repayment of the bonds over a 10 year period as under current law.

Section 5 provides that interest earned on the proceeds of bonds issued for a project be used only to pay the costs of the project and costs associated with the bond issuance.

Section 6 requires the Department to evaluate projects, rank projects in the order of priority that serves the best interests of the state, and present a priority list to the legislature. It also requires that municipal requests for funds be submitted to the department by October 15 of the preceding fiscal year.

Section 7 expands the current definition section to apply to the provisions of SB 51.

Section 8 clarifies that the eligibility criteria established in Section 4 do not apply to projects that have received approval before the effective date of the act, and waives the October 15 funding request deadline for the first year.

Section 9 requires the Department to adopt regulations to implement the chapter.

Section 10 provides for proposed permanent regulations to be submitted to the legislature; they would become effective unless a law disapproving them is enacted.

Section 11 provides for a July 1, 1985 effective date.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 10, 1985

The Honorable Bettye Fahrenkamp
Chairman
Conference Committee on School
Construction Aid
Pouch V
Juneau, AK 99811

Dear Madam Chairman:

I have reviewed the bills which relate to school construction, CBHS 191 (Fin) and HSCSSB 51 (Fin), passed by the House and Senate, and the versions which preceded them.

The State Board of Education and I are disappointed that a more comprehensive approach to school construction cost containment, as developed by both House and Senate HESS Committees, did not come to the floor. Without adequate control of construction costs, we will be unable to control the long-term operating costs of schools.

It is my view that limiting school construction costs is essential if the State is to continue to meet its obligation to provide an equal educational opportunity to all students and to continue a high level of support for the operation of public education in Alaska. In that respect, I do not favor expansion of the debt retirement reimbursement rate beyond 75 percent. Taxpayer responsibility for a significant portion of municipal school district construction costs is essential to cost containment.

Projects must be evaluated by the strictest standards. The project evaluation language contained in CSSB 51 (Fin) provides greater guidance to the Department of Education in this important task. However, both House and Senate bills pose significant administrative and implementation difficulties as they do not fully assure that new projects will not be approved until regulations are in place; further they do not provide a clearly understood mechanism to prevent unlimited access to the debt reimbursement program. I urge the Legislature to address these issues.

Bettye
NRN

Chairman Fahrenkamp

-2-

May 10, 1985

Similar approval standards for all projects are essential to an equitable sharing of the State's resources for education. Because uniform requirements for both grant and debt financed projects have been dropped from the bills in their present form, it is my intention to ask the Commissioner of Education to apply those standards developed for the debt retirement program to projects funded by grants.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor