

HB

3911

HB 391 "An Act relating to reimbursement of school construction bonds; and provding for an effective date."

Fiscal Note (blue)

1. Sponsor Request for Hearing

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE



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House of Representatives

To: Rep. Pat Carney, Co-chair
Rep. Georgiana Lincoln, Co-chair
House Health Education and Social Services Committee

From: Rep. Mark Boyer *MB*

Date: January 14, 1992

Subject: Request to hear HB 390, HB 391 and HJR 59

I am requesting that HB 390, HB 391 and HJR 59 be scheduled for a hearing by the House HESS Committee at your earlier convenience.

This three bill package will put two initiatives on the November 1992 ballot. One is HB 390, an act providing for the issuance of general obligation bonds of approximately \$759 million for the purpose of paying the school construction costs identified by the Department of Education in its FY 93 capital projects list- categories one through seven.

The second initiative is HJR 59, which proposes an amendment to the State's Constitution creating a school construction debt retirement fund for the purpose of paying off the bonds issued through HB 390. This "dedicated fund" is similar to the one proposed by Governor Hickel in HJR 38 in that it takes a portion of the revenue received from mineral royalties and places it in a special fund to pay debt costs. The difference between HJR 38 and HJR 59 is that my proposed resolution funds only school related projects and the special fund would sunset once the debt is paid.

HB 391, an act relating to reimbursement of school construction bonds, is an essential third component of the school construction package. This bill would pay all outstanding municipal school construction debt. The purpose here is to even the playing field, so to speak, between municipalities with no debt because of 100% state support and those municipalities that have incurred debt.

We must deal with the problems facing rural districts as they relate to fire/life/safety issues as well as urban districts which face serious overcrowding and unhoused student needs. The two needs will never be met through the normal capital budget process. The package I propose approaches the issues comprehensively and I look forward to the lively educational opportunity the issue presents.

FAIRBANKS 20B

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 391

Revision Date: _____ Department Affected: Education
 Title: An Act relating to reimbursement of school construction bonds; & providing for effective date BRU: EF&SS
 Component: School Debt Reimbursement
 Sponsor: Representative Boyer
 Requestor: HESS COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS	23002.0	21026.0	20461.0	18109.0	15177.0	14760.0
MISCELLANEOUS						
TOTAL OPERATING	23002.0	21026.0	20461.0	18109.0	15177.0	14760.0
CAPITAL						

REVENUE FUND SOURCE:	GF	GF	GF	GF	GF	GF

FUNDING: (Thousands of Dollars)

GENERAL FUND	23002.0	21026.0	20461.0	18109.0	15177.0	14760.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	23002.0	21026.0	20461.0	18109.0	15177.0	14760.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: NONE

ANALYSIS: (Attach a separate page if necessary.)

Please see attached.

Prepared By: James E. Tozer Phone: 465-2865
 Division: Education Finance & Support Services Date: 1/16/92
 Approved by Commissioner: *Jerry Covey* Jerry Covey
 Agency: Education Date: 1/24/92

Rep. Mark Boyer

State-wide School Construction Proposal

— HB 390, HB 391, HJR 59 —

HB 390, HB 391 and HJR 59 create a mechanism to guarantee the construction of badly needed schools throughout Alaska. The problem with the current system of financing school construction projects is that many of the needed school projects will not be built.

The needs of rural areas of the state are great, as many older BIA and Molly Hootch schools need major repair or total replacement. Furthermore, the urban school districts' needs for unhoused students are not rising to the top of the Department of Education's priority list. The needs of the school districts trying to meet larger student enrollment will not, in the short-term, be accommodated by the existing capital budget process.

This three bill package will put two initiatives on the November 1992 ballot. One is HB 390, an act providing for the issuance of general obligation bonds of about \$759 million for paying the school construction costs identified by the Department of Education in its FY 93 capital projects list-priorities one through seven.

The second initiative is HJR 59, which proposes an amendment to the State's Constitution creating a school construction debt retirement fund for paying off the bonds issued through HB 390. This "dedicated fund" is similar to the one proposed by Governor Hickel in HJR 38 because it takes a portion of the revenue received from mineral royalties and places it in a special fund to pay debt costs. The difference between HJR 38 and HJR 59 is that my proposed resolution funds only school related projects and the special fund would sunset once the debt is paid.

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We must deal with the problems facing rural districts as they relate to fire/life/safety issues and urban districts which face serious overcrowding and unhoused student needs. The two needs will never be met through the normal capital budget process. The state-wide school construction package approaches these issues comprehensively.

