

HB

82

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/28/93

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered CS FOR HOUSE BILL NO. 82(FIN)

"An Act relating to school construction grants and major maintenance grants to school districts; providing for school district participation in the cost of school construction and major maintenance; creating a major maintenance grant fund; creating an education facilities maintenance and construction fund; and providing for an effective date."

*Died in SFC 1994
and recommends:
See SB 59.*

replace with _____ CS _____ (FINANCE)

or adopt previous _____ CS _____

attaches amendrment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

FISCAL NOTE

No. 3

Bill Version: HB 82

(H) Publish Date: 1/22/93

**STATE OF ALASKA
1993 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Revenue
 Title: An act relating to school construction and major maintenance BRU: Revenue Operations
grants to school districts Component: Treasury Division
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Brian C. Andrews Phone: 465-4880
 Division: Treasury Date: 1-20-93
 Approved by Commissioner: [Signature] Date: 1/20/93
 Agency: Treasury

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no. 1
p. 2 of 5

FISCAL NOTE _____

"An Act providing that a school district will participate in the school construction grant program; creating a school major maintenance account; and providing for an effective date."

This bill will facilitate the construction of more school facilities than would be possible with an equal appropriation under the current procedure. It is likely this will result in a greater number of grant requests inasmuch as the possibility of having a project funded will be greatly increased. The increased number of grants and grant awards will place an additional clerical burden upon the facilities section. Along with the increased clerical burden will be the responsibility to evaluate a greater number of grant proposals and to ensure that proper matching funds have been identified for each proposal. This bill establishes a major maintenance account to fund projects that will prolong the life of a facility or provide necessary code upgrades. This will require extensive on-site reviews.

It is anticipated that facilities administrators from a cross section of school districts will be invited to participate in the development of standards for school maintenance programs. It is anticipated that such standards will be included in either regulations governing application for major maintenance grants, or the grant agreement itself. Funds for the development of standards are requested in the contractual line.

Two additional positions are necessary to ensure grant awards and management are consistent with this legislation. Personal services costs are assumed to increase 3% per year after the first year. Equipment cost are \$18.0 the first year and \$3.0 for replacement thereafter.

Funding for the CIP Overhead and Associated Costs component will be based upon a percentage charge from the school construction grant account, school major maintenance account, and inter-agency receipts originating from the Alaska debt retirement fund. For this fiscal note, funding is CIP Receipts derived proportionally from the school construction grant account and the school major maintenance account appropriations.

Personal Services:		\$86.3
Project Assistant (16B)	\$52.8	
Clerk Typist III (8B)	\$33.5	
Travel:		\$13.4
Project Assistant travel	\$13.4	
Air fare for 15 site visits (15 x 700 =10.5)		
Per Diem for 30 days (30 x 95 =2.9)		

Position Title Project Assistant		No. of Positions 1	Range / Step 16B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Juneau		Election District 3, 4
TYPE OF EXPENDITURE		Amount	Justification This position will be responsible for reviewing reports from REAA's and Municipalities, and verifying that matching requirements are met. Additionally, the position will perform on-site reviews of facilities and assist in the ranking of projects.	
Salary		37.8		
Benefits		15.0		
Premium Pay				
Other				
Total Personal Services		52.8		
Travel		13.4		
Contractual		5.8		
Commodities		.6		
Equipment		9.0		
Other				
Total Cost		81.6		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004				
IA Receipts 1007				
CIP Receipts 1061		81.6		
Other				

**Request For
New Position**

AGENCY Education
BRU Executive Administration
COMPONENT CIP Overhead and Associated Costs

FY 1994

Page _____ of _____
Revised Date: _____

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Pg. 3 of 5

Contractual:		\$11.6
Development of facility standards and regulations	\$ 6.0	
Phone lines 2 positions @ \$300/ year	\$.6	
Additional funds for hearing officer/court reporter	\$ 5.0	
Supplies:		\$ 1.2
Supplies for 2 positions @ \$600 each	\$ 1.2	
Equipment:		\$18.0
Office Furniture (desks, files, partitions, etc. 2 positions	\$ 6.0	
Computer Equip. (Computers/ printer for 2 positions)	\$12.0	
	FY 94 Total	\$130.5

1/11/93

Position Title Clerk Typist III		No. of Positions 1	Range / Step 8B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Juneau		Election District 3, 4
TYPE OF EXPENDITURE		Amount	Justification	
Salary		22.6	It is anticipated that contracts with school districts, auditors, and municipalities will at least double as a result of this bill. This position is necessary to meet the additional administrative support requirements generated by this legislation.	
Benefits		10.9		
Premium Pay				
Other				
Total Personal Services		33.5		
Travel				
Contractual		5.8		
Commodities		.6		
Equipment		9.0		
Other				
Total Cost		48.9		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
IA Receipts	1007			
CIP Receipts	1061	48.9		
Other				

**Request For
New Position**

AGENCY Education
 BRU Executive Administration
 COMPONENT CIP Overhead and Associated Costs

Page _____ of _____
 Revised Date: _____

FY 1994

HS82
 WPI. P.S.F.S.

FISCAL NOTE

NO. 2

Bill Version: HB 82

(H) Publish Date: 1/22/93

Revision Date:
Title: School Construction

Department Affected: DOT&PF
BRU:

Sponsor: Rules
Requestor: Governor

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	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 (FY93) impact: \$ _____


ANALYSIS: (Attach a separate page if necessary)

Prepared by: Kit Duke

Phone: 562-2728

Division: Assistant Commissioner

Date: January 20, 1993

Approved by Commissioner: 

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: January 20, 1993

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1
Bill Version: HB 82
(H) Publish Date: 1/22/93

Revision Date: _____ Dept. Affected: Education
Title: Relating to the School Construction BRU: Executive Administration
Grant Program; Creating a School Major Maint. Acct. Component: CIP Overhead and Associated Costs
Sponsor: Senate Rules
Requestor: Governor COMPONENT SERIAL NO. 156

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	86.3	88.9	91.6	94.3	97.1	100.1
TRAVEL	13.4	13.4	13.4	13.4	13.4	13.4
CONTRACTUAL	11.6	11.6	11.6	11.6	11.6	11.6
SUPPLIES	1.2	1.2	1.2	1.2	1.2	1.2
EQUIPMENT	18.0	3.0	3.0	3.0	3.0	3.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	130.5	118.1	120.8	123.5	126.3	129.3

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1061 CIP Receipts	130.5	118.1	120.8	123.5	126.3	129.3
TOTAL	130.5	118.1	120.8	123.5	126.3	129.3

POSITIONS:

FULL-TIME	2.0	2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Gary M. Bader
Division: Administrative Services
Approved by Commissioner: [Signature]
Agency: Department of Education

Phone: 465-8650
Date: January 11, 1993
Date: 1/20/93

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WALTER J. HICKEL
GOVERNOR



HB82a

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that changes the existing school construction grant program in AS 14.11. During 1992 the facilities committee of Alaska 2000 discussed the existing method of allocating school construction grants. This bill, if enacted into law, divides grants under the program into two categories, provides a separate fund for each of the categories, and requires school districts to provide a participating share in order to obtain a grant.

The main thrust of the bill is to separate grants under the existing program into two categories -- grants for school construction and grants for major maintenance of school facilities -- and to create a separate grant fund for the major maintenance projects. Major maintenance projects are those necessary to protect the structure of existing school facilities or to correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program.

Existing AS 14.11.005 creates the school construction grant fund; this bill adds a major maintenance grant fund. Legislative appropriations for the two different types of school facility projects will go into the appropriate fund and will be subject to the existing grant procedures in AS 14.11. The bill makes amendments to those grant procedures to acknowledge the separate categories. The bill also makes conforming amendments to AS 14.03.150(c) and AS 14.07.020(a)(11). Separation of the two types of projects allows separate prioritization of projects, and should result in an improved planning and funding process.

The bill also adds a requirement that, in order to receive a school construction or major maintenance grant, a school district must provide a participating share of the project cost. The participating share for a city or borough school district is based on the full and true value of the taxable real and personal property in the

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The Honorable Ramona L. Barnes
January 22, 1993
Page 2

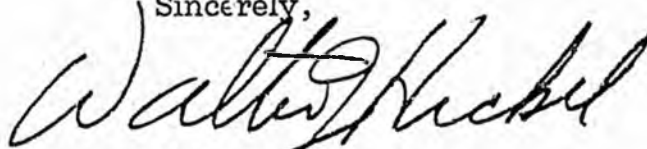
district as of a certain date, and on the district's average daily membership (ADM). A district with a relatively higher property value per ADM will have a relatively higher percentage participating share. City and borough school districts will be required to provide a participating share beginning with grants awarded in fiscal year 1994.

A regional educational attendance area (REAA) participating share is a set percentage of the project cost, although the commissioner of education is authorized to waive all or a portion of the required participating share under certain circumstances. Under the bill, REAAs will not be subject to the requirement for a participating share until fiscal year 1995.

In addition, the bill adds a new subsection to AS 14.11.017. Existing AS 14.11.017(b) authorizes use of grant money under the program to pay the cost of certain activities even if the costs were incurred before the grant application was approved, the grant was awarded, or money was appropriated for the grant. New AS 14.11.017(c) would clarify that the Department of Education can establish the time period in which those activities must have occurred in order to be paid under the grant.

These changes in the way the school construction grant program operates should improve the educational environment of our students and increase the responsibility of school districts in planning for, requesting, and using grant money for school facilities. I urge your early and favorable consideration of this important legislation.

Sincerely,



Walter J. Hickel
Governor

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 82

HISTORY IN THE HOUSE

1993
4/22
Read first time and referred to:
HES FIN
1 FN 2 FN Gov's letter

3/31
HES RPT CS(HES) New Title
3 DP 1 DNP 5 NR 0 AM
FN OFN 201 Previous FN

4/21
FIN RPT CS(FIN) New Title
5 DP 0 DNP 4 NR 1 AM
FN OFN 201 Previous FN

4/26
Read second time
CS() Adopted #1-Fld
Amended #2-w/drawn
#3-Fld

4/26
Advanced

4/27
Read third time

Return to second for specific amendment

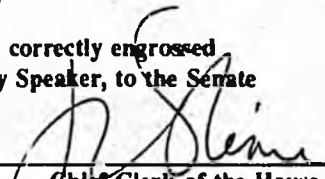
4/27
PASSED EFD Same or
Yeas 39 Yeas
Nays 1 Nays
Excused - Excused
Absent - Absent

Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON. EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Intent adopted

5/5
Reported correctly engrossed
Signed by Speaker, to the Senate

Chief Clerk of the House

HISTORY IN THE SENATE

1993
4/28
Read first time and referred to:
FIN

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time
CS Adopted () New Title
Amended Advanced

Read third time

Letter of Intent adopted
Return to second for specific amendment

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to the House
Secretary of the Senate

HOUSE-SENATE HISTORY Continued

19

Received from the Senate

Concur in Senate amendment

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

Failed to concur Senate amendment, ask Senate recede

Y ___ N ___ E ___ A ___

Senate failed to \ receded from amendment

Y ___ N ___ E ___ A ___

CC appointed by House _____ Chair

CC appointed by Senate _____ Chair

(H) Granted Limited Powers of Free Conference

(S) Granted Limited Powers of Free Conference

19

(H) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

(S) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

To enrolling

Reported enrolled and sent to Governor

_____ By Governor

Legislative Resolve Number _____

Filed with Lieutenant Governor