

SB

180

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/93

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 180

"An Act relating to reimbursement of school construction debt; and providing for an effective date."

Died in SFC 1994

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(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

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/31/93

FURTHER: FINANCE

Date of 5-Day Notice: 4/1/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/13/93

HES Committee considered SB 180

"An Act relating to reimbursement of school construction debt; and providing for an effective date."

and recommends it be replaced with

and recommends:

replace with _____ CS SB 180 (HS)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

and report it

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FN

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
SB/CS DOE	4/8		85-6

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:
 (2) Mike Miller
 (2) [Signature]

OTHER RECOMMENDATIONS:
 (1) Ed Duncan (No Rec)
 (1) G. Sade (No Rec)
 (1) Aaron A. Lemaw NR

(1) [Signature] No Rec
 Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE
SENATE BILL NO. 180

HISTORY IN THE SENATE

1993
 3/31
 4/13

Read first time and referred to:
HES, FIN

ho RPT() CS 2 DP NR 4 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 House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

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

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

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

Read second time
 CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same or
 Yeas Yeas
 Nays 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

Reported correctly engrossed, signed by the Speaker
 and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
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19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1

Bill Version: SB 180

(S) Publish Date: 4-13-93

Revision Date: _____
Title: An Act relating to reimbursement of school construction debt; and providing for an effective date.

Dept. Affected: EDUCATION
BRU: Executive Administration
Component: CIP Overhead and Associated Costs

Sponsor: Senator Pearce
Requestor: Senator Pearce's Office

COMPONENT SERIAL NO. 157

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	46.8	48.2	49.7	51.1	52.7	54.3
TRAVEL	8.9	8.9	8.9	8.9	8.9	8.9
CONTRACTUAL	20.3	20.3	20.3	20.3	20.3	20.3
SUPPLIES	0.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	9.0	1.5	1.5	1.5	1.5	1.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	85.6	79.5	81.0	82.4	84.0	85.6

CAPITAL						
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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: 1061 CIP Receipts	85.6	79.5	81.0	82.4	84.0	85.6
TOTAL	85.6	79.5	81.0	82.4	84.0	85.6

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$

ANALYSIS: (Attach a separate page if necessary)

(SEE ATTACHED)

Changes in SSB 180 (FES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

4/13/93 bh
Date: _____

Prepared by: Gary M. Bader
Division: Administrative Services

Phone: 465-2875
Date: 2-Apr-93

Approved by Commissioner: _____
Agency: Department of Education

Date: 4/8/93

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For further distribution information call the Governor's Legislative Office

FISCAL NOTE SB 180

"An Act relating to reimbursement of school construction debt; and providing for an effective date."

This bill will enable wealthier municipalities throughout the State to construct school facilities for unhoused students and to correct safety hazards and code deficiencies in aging facilities. Small municipalities, whose ability to bond is restricted or nonexistent, will still be required to seek State aid through the grant process. It is certain that this bill will result in a large number of requests for approval of school construction projects. This will place an additional burden on the Facilities Section in both clerical and administrative requirements. While it may reduce the number of requests for grants through AS14.11.011 from the larger municipalities, it is likely that they will continue to seek grant funds depending on their current bond debt and fiscal obligations. It is impossible to predict the State liability in FY94 and beyond under SB 180.

This bill will require additional time at the administrative level in order to ensure compliance with the regulations and fiscal accountability. Regulations will need to be developed to determine the level of municipal bond debt and reporting procedures in order to govern administration of this program. In addition, the amendment to AS 14.11.102 would require development of regulations regarding evaluation of projects to include education programs. Necessary review of project plans and on-site reviews to determine eligibility and compliance will increase administrative travel requirements. Funds will be required for travel.

It is anticipated that participation by the Department of Law will increase. Historically, this program has created a need for legal services related to interpretation of the statute and regulations, project eligibility, and the discrepancy between full funding through the grant program and partial funding through the debt retirement process. Funds will be required for contractual services.

One additional position is necessary to ensure compliance with this legislation. Personal services costs are assumed to increase 3% per year after the first year. Equipment costs are \$9.0 the first year and \$1.5 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 and inter-agency receipts originating from the Alaska debt retirement fund.

Personal Services		46.8
Administrative Assistant II (14B)	46.8	
Travel		8.9
Administrative travel		
Air fare for 10 site visits (10 x 700 = 7.0)	7.0	
Per Diem for 20 days (20 x 95 = 1.9)	1.9	
Contractual		20.3
Development of regulations	7.5	
Funds for defense of Department position in disputes	10.0	
Additional funds for hearing officer/court reporter	2.5	
Phone lines 1 position @ \$300/year	.3	
Supplies		.6
Supplies for 1 position	.6	
Equipment		9.0
Office furniture (desks, partitions, ect.)	3.0	
Computer Equipment (Computer, token ring, etc.)	6.0	
	FY 94 Total	85.6

**SPONSOR STATEMENT
FOR
SENATE BILL NO. 180**

The continued development and maintenance of Alaska's educational infrastructure is an important issue in Alaska. Several approaches have been suggested to resolve our current problems in constructing and maintaining Alaska's schools, but all of these approaches sacrifice a long term solution in favor of short term spending plans. Senate Bill 180 is part of a three-bill package which proposes a long term solution to constructing and maintaining Alaska's educational infrastructure.

As various short and long term solutions to the school construction, maintenance, and repair have been proposed, it is clear that successful solutions for rural and urban areas are not the same. Several urban areas have expressed strong interest in issuing school construction debt as a way for their residents to share in the cost of building and repairing their community's schools.

Senate Bill 180 reestablishes reimbursement of school construction debt for a limited time period and at a significantly higher match requirement than was offered under previous debt reimbursement programs. This bill reestablishes debt reimbursement for four years, reduces the State of Alaska's share of debt payments to 70%, caps the level of debt that can be incurred by any bonding community in Alaska, and establishes a retroactive effective date to April 1, 1993.

There are two companion bills to SB 180. Senate Bill No. 181 makes a number of key changes to the way school construction, maintenance, and repair projects are reviewed and selected for consideration by the legislature. Senate Joint Resolution No. 30 proposes the establishment of a constitutional school construction and maintenance fund.

**Senate Finance School Construction Package
SB180, SB181, SJR30**

1. **SB180. Relating to Reimbursement of School Construction Debt** This legislation re-establishes the school debt reimbursement program suspended three years ago.

Section 1: Adds new subsection (6)

70% State 30% Local Match

Bonds to be authorized by voters after April 1, 1993 and before March 31, 1997 for the following:

- costs for school construction
- additions to schools
- major rehabilitation projects that exceed \$50,000
- all projects approved by DOE

Section 2: Adds new section (5) requiring "caps" for percentage ratios of allowable municipal debt. Factors include full property value, current local debt, and population. Graduating percentages from 2% to 4.5% based on recommendations by Moody's Investors Service, 1992 Medians.

Section 3: Adds new section 14.11.102 requiring DOE to consider factors for evaluating projects allowable for reimbursement.

Section 4: Immediate effective date clause.