

**SB**

**312**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/18/94

FURTHER:

DATE TURNED INTO OFFICE: 3-31-94

The Finance Committee considered SENATE BILL NO. 312

"An Act relating to school construction grants; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous 5B312 CS (HES)
- 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
<u>DOE</u>	<u>3/4/94</u>	<u>0</u>	

Appropriation No Fiscal Note

DO PASS:

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

[Signature] Keefe Don't pass unless and  
[Signature] Best Sharp Kditto  
\_\_\_\_\_  
\_\_\_\_\_

1. [Signature]  
Co-Chair: Signature/Recommendation

(but I'd like an amendment!)

2. [Signature] Mar 10 Rec  
Co-Chair: Signature/Recommendation

# FISCAL NOTE

STATE OF ALASKA

BILL NO. SB312

1994 LEGISLATIVE SESSION

Revision Date: March 14 1994

Department Affected: Education

Title: "An Act relating to school construction grants; and providing for an effective date."

BRU: School Finance

Sponsor: Senate Finance Committee

Component: Educational Facilities Support

Requester: Senate Finance Committee

COMPONENT SERIAL NO. 1957

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	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						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

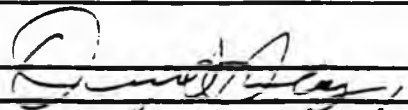
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.) The proposed legislation provides an opportunity for the department to modify a school construction or major maintenance capital improvement project request in order to achieve cost effective construction and provides for phased funding of capital improvement projects.


Please see the attached continuation page for additional detail.

Prepared by: Duane Guiley  
 Division: School Finance



Phone: 465-8679  
 Date: March 14 1994

Approved by Commissioner: \_\_\_\_\_  
 Agency: Education



Date: March 14 1994

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FISCAL NOTE (continued): DEPARTMENT OF EDUCATION

Division School Finance Bill Number SB 312

Bill Title "An Act relating to school construction grants; and providing for an effective date."

Sponsor Senate Finance Committee

As proposed, Senate Bill 312 provides an opportunity for the department to modify a school construction or school major maintenance capital improvement project request in order to achieve cost effective construction. Further, the proposed legislation provides for phased funding of a capital improvement project.

In 1993, the eligibility, classification, evaluation and prioritization of public school capital improvement projects changed significantly, due to passage of CSSB 7(FIN) am H. Section 9 of Chapter 78 of the 1993 Session Laws of Alaska established a new Bond Reimbursement and Grant Review Committee (BR&GRC). In addition to other duties, the committee shall develop criteria for construction of schools in the state, including requirements to achieve cost effective construction and establish a form for the grant applications. SB312 matches the recommendations of the BR&GRC.

The committee has forwarded a recommendation to the commissioner which requires a standardized facility evaluation and condition survey to be attached to each 1996 full funding project request. The committee also recommended that applications lacking the detailed architectural and engineering facility condition survey, which documents the deficiencies of the existing facility, should receive no more than a planning grant. These standardized documents will allow the department to objectively assess the feasibility and the merits of phase funding the project. The BR&GRC indicated that a district can not reasonably determine the scope or cost of a project without conducting a detailed analysis of the existing facilities.

This proposed statute will facilitate the implementation of the recommendations of the Bond Reimbursement and Grant Review Committee.

APPROVED:

Director Duane Guilev Division School Finance

Signature  Date March 14, 1994

Commissioner/Deputy \_\_\_\_\_

Signature  Date 3/15/94



Official Business

# Alaska State Senate

## Senate Finance Committee

**SPONSOR STATEMENT**  
**CS Senate Bill 312 (HESS)**

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### Section 1.

Under current law, the Department of Education must accept or reject a school construction project *in toto*; a project can only be rejected if found to be "not in the best interests of the state", an undefined standard that could easily lead to litigation if used by the department. SB 312 would allow DOE to modify or revise the scope of submitted projects to assure that schools are adequately sized for the community to be served. In addition, SB 312 would allow DOE to require that school construction projects be phased, an approach which has worked extremely well for other grant programs such as village safe water. A phased-in approach will allow DOE an opportunity to review projects through their development and make adjustments as needed.

An all-or-nothing approach to approval of school construction projects is not effective either for school districts or for the department, and this bill seeks to remedy the situation.

### Section 2.

Repeal of AS 14.07.058 (Alaska School Activities Association) and AS 14.075.059 (Alaska school activities fund) would accomplish the following.

The Alaska School Activities Association was incorporated in 1986, and is supported solely through private funding. ASAA became ASAA, Inc. It was formed as a non-profit corporation so that it could accept donations from private sources. It was formulated with the same personnel, virtually the same by-laws, constitution, and function as ASAA.

1/ ASAA, Inc., would continue to operate as a nonprofit corporation, supporting statewide tournaments, administrative functions, litigation defense and other expenses, etc., through private fundraising efforts.

2/ The repeal of these statutes would remove DOE's exposure to litigation over rulings of the Board of Control of ASAA, Inc. (on eligibility waivers or penalty rulings, for example).

**Bond Reimbursement and Grant Review Committee**  
**Facility Evaluation/Inventory Sub-Committee Report**  
Wednesday, February 16, 1994

**SCHOOL CAPITAL IMPROVEMENT PROGRAM PROPOSAL**

**Issue:** Facility condition survey and provision for school facility inventory

**Background:** Concerning standards for school construction, prioritization of capital projects and inventory and condition surveys of existing facilities, the Alaska 2000 Facilities Committee recommended the following:

*Alaska Department of Education should develop a set of standards to guide school construction. Topics include space (overall size and distribution), quality (materials) and cost, both construction and "soft" costs.*

*Alaska Department of Education should, Provide annual set aside for major maintenance of \$20-40 million, require adequate preventive maintenance in order to be eligible for state funding, create incentives for good programs and institute an independent assessment program for State funded projects and for preventive maintenance programs.*

*A statewide educational facility inventory process is required. Inventory efforts should be focused in the areas of most critical need and should increase as funding becomes more likely. Technical and program evaluation should be included. The process should be standardized and state funded.*

Based on these recommendations, the Commissioner appointed an eighteen member committee, chaired by Superintendent, Dick Clevenger, to provide a more detailed description of a capital improvement evaluation and ranking process, school construction standards and a state-wide facility inventory. The committee met over the spring and summer of 1993. Included in the list of findings was the following Matrix Sub-Committee recommendation:

*The State of Alaska should adopt a matrix model that will be utilized to prioritize school districts capital improvement projects. The matrix model should be similar to the State of Washington's and address both the condition of existing facilities and student populations served. The building condition evaluation forms presented in the CEFPI "School Facility Appraisal Guide" should be used in lieu of the Washington State forms. Both Models will require modification to meet the unique requirements of Alaska.*

The results of prior committee work were distributed at the organizational meeting of the Bond Reimbursement and Grant Review Committee (BR&GRC). Copies of the Council of Educational Facility Planners (CEFPI) Comprehensive Facility Evaluation Process and the Washington State Prioritization Model were distributed and discussed at the December 9, 1993, BR&GRC meeting. In order to provide for a detailed review of both processes and prior committee work and for the purpose of making a BR&GRC recommendation, the Chair appointed the four person, Facility Evaluation/Inventory Sub-committee. The sub-committee was charged with developing a recommendation for BR&GRC consideration, related to a state-wide education facility inventory and a facility condition survey process.

The sub-committee obtained a commitment from Michael Roberts, Washington State Director of School Facilities and Organization, to attend the meeting and provide an overview of Washington's experience in developing and implementing its model. The sub-committee met on February 15, 1994 in the Department's second floor conference room of the Goldbelt Building in Juneau, Alaska. The group consisted of the four committee members, Ed Crittenden, staff program consultant, and Michael Roberts. The Educational Facilities Support staff observed.

Mr. Roberts presented an overview of the prior and current school construction evaluation, prioritization and funding processes, as well as a differentiation of the terms "eligibility" and "priority". Many similarities were noted between the prior Washington and the current Alaska programs. However, the current Washington system requires a significantly greater up front share to be provided by the local district through passage of a local bond and a reduced state fund share. All Washington school districts have limited bonding and mill levy authority. Project eligibility is based on a 14 question state study and survey, which includes building condition surveys of all district facilities and a comprehensive six year plan, partially state funded once each six years. Priority is based on a single scoring matrix which classifies projects as 1) growth construction or 2) modernization or new in-lieu/major renovation. The minimum threshold for a modernization or new in-lieu/major renovation project is 40% of current facility replacement cost. The state share is based on a standard gross square foot per student, grouped by grade level, times a standard per square foot construction cost, times a state match ratio, determined by assessed valuation per pupil. State match ranges from a high of 96% to a low of 20% of standard cost. The eligibility and formula establish the state share, while, the priority determines in what order the state will fund. Front funding with local dollars, with subsequent reimbursement through the prioritization process is an option. In each case, the district is the owner, the district manages the project and the district determines space utilization. The state match is tied to specific timelines and is based on "on-site" costs and excludes all "off-site" costs, (ie, access roads, utility hook-ups, traffic signals). The state share is funded with earnings of the School Lands Trust Fund, after the required local dollars are expended.

**Recommendation:** The State should require a standardized evaluative instrument that considers the educational program suitability and general condition of an existing facility, for the purpose of determining eligibility for state funding. This instrument would be similar to the CEFPI Comprehensive Facility Evaluation, adapted for Alaska. A more technical, standardized facility condition survey should be required in order to evaluate state-wide priority and determine the state share of a specific construction project. The condition survey should be comparable to an amended Washington State form and require surveyor training or experience similar to an architect or engineer.

The facility evaluation and the facility condition survey should be considered in the assignment of priority and be required as an attachment to each fiscal year 1996 construction phase project application. Districts which lack the human or financial resource to prepare the technical facility condition survey should submit the facility evaluation as part of the application package for a FY96 planning grant.

Districts should be required to submit standardized facility evaluations on all existing educational facilities within the district, as a prerequisite to school capital improvement funding in fiscal year 1998. These evaluations will provide the basis for a state-wide educational facility inventory.

The Department should make copies of the standardized documents available to all districts and provide training to interested parties by May 30, 1994, in order to require submittal by September 1, 1994. Districts which have an existing facility evaluation and/or facility condition survey document should be required to "cross walk" the district document to the standardized form.

4 AAC 06.111 is repealed:

4 AAC 06.111. ALASKA SCHOOL ACTIVITIES ASSOCIATION.  
Repealed. (Eff. 10/28/76, Register 60; am 3/24/77, Register 61;  
am 3/1/78, Register 65; am 9/23/78, Register 67; am 11/23/80,  
Register 76; am 11/26/80, Register 76; am 7/31/81, Register 79; am  
6/9/83, Register 86; am 8/30/84, Register 91; am 3/24/85, Register  
93; am 8/30/86, Register 99; am 2/20/87, Register 101; repealed  
/ / , Register )

4 AAC 06 is amended by adding a new section to read:

4 AAC 06.115. INTERSCHOLASTIC ACTIVITIES. (a) The purpose  
of 4 AAC 06.115 is to provide a procedure that enables school  
districts to promote and govern interscholastic activities  
effectively, economically, and fairly, while keeping those  
activities in their proper perspective educationally.

(b) A school or school district may join and pay dues to the  
Alaska School Activities Association, Inc., or any other  
voluntary, nonprofit association whose purpose is to administer  
and promote interscholastic activities in Alaska so long as the  
association

(1) makes applications and membership available to all  
public and private schools and school districts in the state;

(2) is governed by a board that is elected from the  
membership and fairly represents all regions of the state that  
participate in the organization;

(3) adopts a constitution and bylaws setting forth its  
philosophy, purpose, rules and procedures, including a fair  
procedure for challenging interpretation or application of a rule;  
and

(4) operates in compliance with state and federal law.

(c) An association described in (b) of this section shall administer interscholastic activities in a manner that

(1) encourages high standards of citizenship and complements the academic programs of schools;

(2) is consistent with and advances the state's education policy set out at AS 14.03.015; and

(3) recognizes that the organization and governance of interscholastic activities is a public purpose that is best met through the cooperation and association of interested schools and districts.

(d) For purposes of review, an adjudicatory decision of a voluntary association described in (b) of this section is a final decision of a school district. A decision of a school district is appealable to the superior court pursuant to Part VI of the Rules of Appellate Procedure.

(e) In this section, "district" has the meaning given in AS 14.17.250. (Eff. / / , Register )

Authority: AS 14.03.015  
AS 14.07.020(a)(2)  
AS 14.07.060

**DRAFT**

April 15, 1994

**DOE Facilities Staff suggestions to the Bond Reimbursement and Grant Review Committee regarding Portable Classrooms**

**Portable Classroom:** any factory-built single classroom (teaching station) structure, transportable in one or more sections, which requires a chassis or axel assembly to be transported, and is designed or remodeled to be used as an educational space with or without a permanent foundation when connected to the required utilities. The structure shall be capable of being demounted and relocated to other locations as needs arise.

In 1992 as a result of a meeting held in Anchorage, the Department of Education came up with the following conclusions regarding portable classrooms.

It has been decided that portable classrooms are a viable solution for housing students, until such time as the core areas are over stressed due to the percentage of students housed in portable classrooms. For this purpose core area shall be defines as "Those support service areas which are commonly used by all students. i.e. Gymnasium/Auditorium, Library/Media Center. Student Commons, Multi Purpose Rooms etc." Portable classrooms are also a viable alternative in those communities that experience population shifting. If the school district can demonstrate than an existing portable classroom is not safe and that it is not cost effective to repair it, then that space will not be considered as available classroom space and will not be considered as available gross square footage regarding determinations of unhoused students.

Although a number of school districts were disgruntled about the opinion, none could offer a better definition at the time. The biggest complaint was that small children in portable classrooms not attached to the main facility by covered walkways or enclosed hallways spent an inordinate amount of time dressing to attend functions in the main facility, use core areas or the restrooms. The Department suggested that it may be more efficient to place the older students in the portables and keep the primary students in the main facility. There was no response from the school districts on that argument nor did they offer alternative solutions.

NON REIMBURSED CASH EXPENDITURES FOR FY93

3/23/94 FILE: 94CA

**DRAFT**

DISTRICT	AMOUNT	
Adak Region	\$10,076	
Alaska Gateway	0	
Aleutian Region	2,685	Major Maintenance
Aleutians East	84,045	
Anchorage	1,870,186	
Annette Island	17,202	Equipment Replacemen
Bering Strait	0	
Bristol Bay	143,841	
Chatham	165,837	
Chugach	16	
Copper River	94,079	
Cordova City	102,987	
Craig City	157,235	
Delta Greely	1,081,829	
Denali	130,109	
Dillingham City	0	
Fairbanks	483,914	
Galena City	340	
Haines	66,396	
Hoonah City	0	
Hydaburg City	6,745	
Iditarod Area	58,099	
Juneau City	0	
Kake City	0	
Kashunamiut	190,054	Major Maintenance
Kenai	1,083,899	
Ketchikan Gateway	112,054	
Klawock City	146,541	
Kodiak Island	24,000	
Kuspuk	117,089	
Lake & Peninsula	292,105	
Lower Kuskokwlm	148,485	
Lower Yukon	0	
Matanuska-Susitna	0	
Nenana City	807	
Nome City	46,729	
North Slope	0	
Northwest Arctic	715,351	
Pelican City	13,952	
Petersburg City	18,705	
Pribilof Islands	362,482	
St. Mary's	12,622	
Sitka	184,491	
Skagway City	8,067	
Southeast Island	153,287	
Southwest Region	318,457	
Tanana	0	
Unalaska City	27,080	
Ugavik City	554,202	
Upernivik City	0	
Umanak	93,481	
Umanak	69,227	
	596,807	
	143,056	
	<b>\$9,908,651</b>	

3/22/94

NON-REIMBURSED CASH EXPENDITURES FROM  
4-30-90 to 4-30-93 MADE BY DISTRICTS

DISTRICT	FISCAL YEAR	AMOUNT		DISTRICT TOTAL
Aleutians East Schools	1991	\$12,784.00	1	
	1992	\$8,677.00	2	
	1993	\$84,045.00	3	
Total				\$105,506.00
Bristol Bay Schools	1991	\$42,318.00	4	
	1992	\$63,986.00	5	
	1993	\$143,841.00	6	
Total				\$250,145.00
Unalaska Schools	1991	\$445,935.00	7	
	1992	\$233,197.00	8	
	1993	\$27,080.00	9	
Total				\$706,212.00
Grand Total				<u>\$1,061,863.00</u>

**DRAFT**

1. Entire amount from Operating Fund. No specific project listed.
2. Entire amount from Operating Fund. No specific project listed.
3. King Cove Construction \$62,602; Akutan \$5,084; Cold Bay \$16,359. King Cove & Akutan are from Operating Fund and Cold Bay is from Local Rev. King Cove Roof came in under budget. The remainder of the cash approval could have been used for the King Cove Construction project.
4. Elementary Construction \$16,135; Construction Maintenance \$26,183. Elem. const. is from Local Rev. and Const. Maint. is from Operating Fund.
5. Playground Equip. \$15,393; CIP Proj. #1 \$5,423; Const. Maint. \$43,170. Playground & CIP Proj. 1 are from Local Rev. and Const. Maint. is from Operating Fund.
6. Playground Equip. \$916; CIP Proj #1 \$63,112; CIP Proj. #2 \$72,610; Const. Maint. \$7,203. Playground & CIP Proj. 1 are from Local Rev. and CIP Proj. 2 & Const. Maint. are from Operating Fund.
7. Capital Improve. \$3,720; School Add'n \$442,215. Cap. Improve. is from Operating Fund and School Add'n is from Local Rev.
8. District Office \$34,144; School Addition \$3,000; Classroom Addition \$9,699; Ed. Specs. \$19,183; Real Estate \$167,171. District Office, Classroom Addition, Ed. Specs., & Real Estate are from Operating Fund and School Add'n is from Local Rev.
9. School Add'n \$2,500; Classroom Add'n \$22,438; Ed. Specs. \$2,142. School Add'n & Ed. Specs. are from Operating Fund & Classroom Addition is from Local Rev.

Issues:

1. The old cash program ended 6-30-90, so reimbursements from 4-30-90 to 6-30-90 may be subject to double payment.
2. Expenditures in FY91 were eligible for reimbursement in FY93 on a 2 yr lag basis. The department can no longer pay on FY93, since it is already past.
3. Expenditures in FY92 were eligible for reimbursement in FY94 on a 2 yr lag basis. The department cannot pay these since the amounts were not listed on the anticipated debt submitted on October 15, 1992.
4. Expenditures in FY93 will be eligible for reimbursement in FY95 on a 2 yr lag basis. The department cannot pay these since the amounts were not listed on the anticipated debt submitted on October 15, 1993.
5. Playground equipment is not eligible for reimbursement under the cash program.
6. Real estate is not eligible for reimbursement under the cash program.



Lawrence A. Wiget, Ed.D.  
Director, Government Relations/Legislative Liaison  
4600 Debarr Road  
P.O. Box 196614  
Anchorage, Alaska 99519-6614  
(W) 907 269-2255 (FAX) 907 269-2107

TO: SENATE FINANCE COMMITTEE  
SUBJECT: CS FOR SENATE BILL NO. 312(HES)  
DATE: MARCH 23, 1994

While we appreciate the efforts of DOE and the legislature in attempting to address containing school construction costs statewide, the proposed legislation and proposed DOE criteria for unhoused students remains too subjective in areas which require objectivity.

Thus, the administration of the Anchorage School District is opposed to CS for Senate Bill No. 312 (HES). We believe that the bill is not in the best interest of the Anchorage School District. It usurps local control and does not address our unhoused students needs.

Specific areas of objection include the following:

I Section 1. AS 14.11.013 (c), is amended to read;

(c) The department may

(1) modify a project request when necessary to achieve cost-effective school construction;

(2) require that school construction in a project request be phased; and...

The proposed legislation would further erode local control in making decisions concerning cost effective school construction. Currently, DOE requires that certain subjective criteria must be met, including a maximum of 100 square feet per student maximum for elementary schools and 150 square feet per student for secondary schools.

While we understand that the proposed legislation is being put forth to control construction costs, it is our belief from past experience that the current regulations already provide for that while allowing for some local control.

What is being proposed is such that while we may meet all the current criteria on a cost-efficient project, DOE may still modify the project including forcing the district to use cheaper materials to lower the cost, thus lowering the life expectancy of the building while increasing maintenance costs.

In addition, by requiring a district to phase in a project rather than completing it at the time of initial construction, could increase the overall costs of the project. This decision should be left to the local school board based on what they believe is the most cost-effective method for the project.

For the Anchorage School District, with its strong local control through Board, Municipal Assembly and bonding ability, building unnecessary or extravagant facilities is not permitted.

There are times in which we do complete renovations of schools on a phased-in schedule, but that is determined by the local board based on multiple factors, such as that which is in the best interest of our students, as well as community and cost considerations.

## II Amendment #4, Section 1 (a)

(B) house students who would otherwise be unhoused; in this subparagraph, "unhoused" includes conditions in which students are housed in temporary facilities that are determined by the department to be materially substandard.

In terms of unhoused students, we were told by DOE that objective criteria would be recommended for determining the use of portable classrooms. The criteria would be such that when a school reached 110% of its capacity, it would then be considered over stressed on its core area. In other words, any students in a school over 110% in capacity would not be counted as housed students even though they would be placed in temporary portable classrooms.

In the proposed draft of DOE suggestions to the Bond Reimbursement and Grant Review Committee regarding Portable Classrooms, subjective criteria are indicated which may not allow under the proposed bill for students housed in the 144 portable classrooms in the Anchorage School District to be considered as unhoused students. In essence, what is proposed in the Bill in conjunction with what is being proposed by DOE as criteria for determining when a student is

considered unhoused, the students in the majority of the portables in the Anchorage School District may be considered as "housed."

This is unacceptable to us.

*For further information please contact Dr. Brent Rock, Assistant Superintendent, Administrative Services at 269-2281; or, Dr. Larry Wiget at 269-2255.*

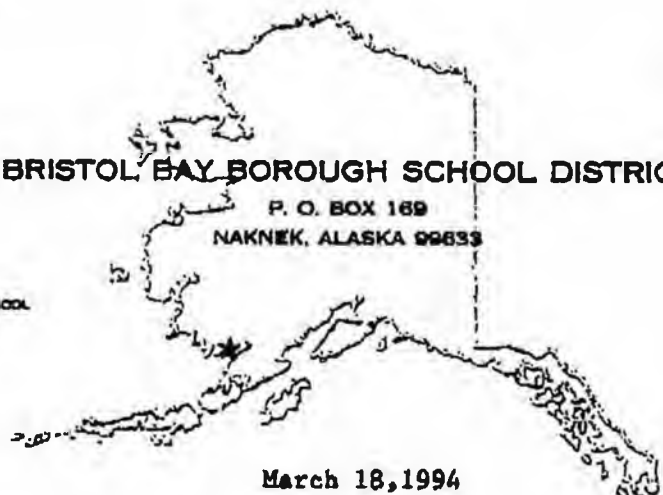
SB 312

BRISTOL BAY BOROUGH SCHOOL DISTRICT

P. O. BOX 169  
NAKNEK, ALASKA 99833

PHONE 246-4225 OR 4265  
HIGH SCHOOL

RICHARD W. LEATH  
SUPERINTENDENT



March 18, 1994

Senator George Jacko  
Alaska State Legislature  
P.O.Box V (MS3100)  
Juneau, Alaska 99811

Dear Senator Jacko:

This letter concerns the passage last session of SB 7 which totally restructured the manner in which school construction is funded by the state. The passage of this bill, once again, allows for the state to participate in a debt retirement program for those borough and city school districts that choose to bond themselves for new school facilities. The language in this bill allowed for projects that were funded with bond issues from March 31, 1990 through April 30, 1993 to be included in this debt retirement program.

The Bristol Bay Borough built \$4,500,000.00 in new school facilities during the above mentioned time frame, but chose to use cash reserves to build them rather than to fund them through a bond issue. We would like to have the language in SB 7 expanded to allow projects that were built with cash to be eligible for the 70% debt retirement. This is actually a better arrangement for the state, since they would only be re-imbursing 70% of the actual cost of the facility and not 70% of the interest that also has to be paid on a bond issue.

The Bristol Bay Borough Assembly and School Board would appreciate your efforts to effect the necessary language changes in SB 7 to allow our school district projects to be eligible for re-imburement.

Sincerely,  
*Richard W. Leath*  
Richard W. Leath  
Superintendent

# ALEUTIANS EAST BOROUGH

## School District

P.O. Box 429  
Sand Point, Alaska 99661-0429

Phone: (907) 383-3222  
FAX: (907) 383-3496

March 18, 1994  
3:00pm

The Honorable George Jacko  
Senator  
Alaska State Legislature  
Capitol Building  
Juneau, Alaska 99801

FAX 465-2897

Dear Senator Jacko:


I understand SB912 may be modified to include language that would re-instate debt retirement reimbursement for cash expenditures.

The Aleutians East Borough has provided and continues to provide for the school construction needs of our district. The AEB spent \$1.3 million on life safety code upgrade work at King Cove. The Borough is in the process of developing construction drawings to build a \$1.4 million addition/remodel project at Akutan to expand the facility to minimum Department of Education space guidelines for projected enrollments. Another unhoued student priority is False Pass, estimated to require up to \$1.0 million in remodel/addition to meet minimum space guidelines for existing enrollments. This totals \$3.8 million in serious school construction needs in our district.

I believe the Borough is at or near its bonding debt capacity, and so would greatly benefit from re-instatement of the cash reimbursement part of the AS 14.11.100 debt retirement program. The students of AEBSB face years of sub-standard service in over-crowded facilities without resumption of the cash reimbursement program.

We wholeheartedly support the amendment of SB912 to include reimbursement of municipal school districts for expenditures on DOE approved priority #1 Life Safety and Priority #2 Unhoued Students projects. Thank you for advocating such an amendment to SB912.

Sincerely,



Tom Ryan  
Superintendent

CC: Bob Justtner, AEB

Board Members  
ASB Chairs

### SERVING

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TO: BOB EVANS

SUBJECT: SB 312 RESPONSE

DATE: MARCH 16, 1994

Attached, please find the response of district facilities through the assistant superintendent's office, 269-2281, to SB 312.

Please forward to Senator Pearce's office.

Further information requests in regard to this bill should be directed to Dr. Rock.

Thanks.

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA  
FACILITIES/MAINTENANCE DEPARTMENT

MEMORANDUM

MARCH 16, 1994

TO: DR, BRENT L. ROCK, ASSISTANT SUPERINTENDENT  
ADMINISTRATIVE SERVICES

FROM: ED CONYERS, DIRECTOR, FACILITIES/MAINTENANCE DEPARTMENT

SUBJECT: PROPOSED STATE LEGISLATION ON D.O.E. POWERS

Section 1. AS 14.11.013 (c) is amended to read:

(c) The department may

- (1) Modify a project request when necessary to achieve cost-effective school construction;

A.S.D Response:

The district, with community involvement, designs schools to meet the district's requirements and community's needs. If the D.O.E has power to change this it usurps local control. "Grassroots" involvement is priority to the district and community. These respective entities need final control. Schools designed to meet local needs is critical.

- (2) Require that school construction in a project request be phased;

A.S.D. Response:

Again, the district and community do make the decision to perform some necessary renovations in phases. However, this decision should remain at the local level. If this control is usurped by D.O.E., it could result in more costly construction and inadequate facilities especially in the construction of new schools. Schools should be constructed in a single time frame to meet current and projected enrollment and other needs, not phased.

dh

cc file

## PORTABLE UNITS IN ALASKA

The following is the results of the Portable Classroom Survey initiated by this office April '91

16 out of the 54 School Districts have reported having portable units in use. Out of a total of 286 units, Anchorage reported the highest number with 98. Craig and Unalaska reported having only one.

The results are broken down into three Categories:

- I. District with 20 or more units
- II. District with 5 or more units
- III. Districts with less than 5 units

### CATEGORY I

Anchorage School District

50 over 20 years old  
17 over 10 years old  
31 less than 10 years  
98 Total

Comments: Oldest portable unit is 28 years and is currently used to store Janitorial supplies and equipment.

Matanuska/Susitna Borough Schools

7 over 10 years old  
31 over 5 years old  
16 less than 5 years  
54 Total

Comments: Oldest units are only 15 years old.

Fairbanks North Star Borough Schools

17 over 20 years old  
3 over 10 years old  
8 less than 10 years  
28 Total

Comments: 11 of the 17 units over 20 years old are reported as being in "terrible condition" by the district.

Kenai Peninsula Borough Schools

6 over 10 years old  
16 less than 10 years  
22 Total

Comments: Borough purchased 5 units in 1983; 4 units in 1984; 3 units in 1985; and 4 units in 1986. They relocated 10 units in 1985 and 1990 to accommodate shifts in the population.

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
5/2/91	Adak	6	on-base	1978		13yrs+	excellant		reroofing scheduled for summer '91
5/14/91	Aleutians East	0							
5/13/91	Alaska Gateway	7	Dot Lake	1976		15yrs	fair	hockey shed since '83	
			Mentasta	1976		15yrs	fair	hockey shed since '83	
			Northway	1976		15yrs	fair	hockey shed	
				1976		15yrs	poor	modular	
			Tanacross	1976		15yrs			
			Tok	1976		15yrs	poor	modular	
				1976		15yrs	very poor	hockey shed	
5/13/91	Aleutian Region	0							
5/6/91	Anchorage	98						I.D. #	LEGEND TO I.D. NUMBERS
		7a	Abbot Loop	1981				183-81	First digit designates size:
				1981				184-81	1=single relocatable/600 sq. ft.
				1981				192-81	2=double relocatable/1200 sq. ft.
				1982				109-82	3=triple relocatable
				1984				135-84	Last two digits indicate year unit was built
				1969				160-69	Letter G indicates natural gas boiler,
				1963				202-63	remaining units have electric baseboard
		3a	Chinook	1968				173-68	
				1969				143-69	
				1981				189-81	
		2a	Eagle River	1982				105-82	
				1982				118-82	
		4a	Fairview	1963				100-G-63	
				1981				187-81	
				1981				111-82	
				1982				114-82	
		1a	Homesend	1981				193-81	
		4a	Huffman	1967				133-67	
				1969				159-69	
				1981				180-81	
				1984				166-84	
		1a	Jesse Lee Home	1965				126-G-65	
		2a	Klatt	1965				124-65	
				1969				152-69	
		3a	Mt. View	1967				230-67	
				1981				191-81	
				1984				139-84	
		3a	North Star	1969				165-69	
				1968				172-68	
				1982				116-82	
		1a	Ravenwood	1984				137-84	
		1a	Rigel	1983				102-83	
		8a	Springhill	1968				141-68	
				1968				149-68	
				1982				108-82	
				1982				107-82	
				1982				115-82	
				1983				120-83	

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
				1984				136-84	
				1986				104-86	
	3a		Susitna	1969				155-69	
				1969				157-69	
				1981				194-81	
	5a		Turnagain	1968				142-68	
				1969				163-69	
				1982				110-82	
				1982				117-82	
				1982				119-82	
	3a		Whaley Center	1968				140-68	
				1968				145-68	
				1969				153-69	
	1a		Williwaw	1968				170-68	
	2a		Willow Crest	1981				181-81	
				1969				164-69	
	9a		Ace Special Ed	1981				185-81	Ace Special Ed
				1981				186-81	Ace Special Ed
				1968				174-68	Ace Special Ed
				1967				132-67	Ace Special Ed
				1982				121-82	B Reach/3 offices and reception area
				1967				131-67	B Reach/3 offices and reception area
				1987				103-87	B Reach
				1969				162-69	B Reach
				1982				128-82	Converted to student restroom facility, 1988
	2a		Booth Memorial	1965				225-65	
				1965				244-65	
	9a		MLK Center	1969				151-69	
				1969				154-69	
				1965				127-65	
				1968				148-68	
				1968				171-68	
				1968				146-68	
				1982				113-82	
				1981				182-81	
				1982				122-82	Special Ed
	1a		Central Jr. High	1970				240-70	Gym storage...on permanent foundation
	1a		Clark Jr. High	1981				195-81	
	4a		Gruening Jr. High	1984				167-84	
				1968				147-68	
				1981				188-81	
				1969				156-69	
	3a		Hanshaw Jr. High	1982				112-82	
				1969				161-69	
				1981				190-81	
	2a		West High	1969				158-69	Art Resource Program/art supply storage
				1984				138-84	
	1a		Admin	1967				130-67	
	8a		Maintenance	1982				103-82	Building Section

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
				1982				134-82	Electric Section
				1965				227-65	Grounds Section
				1981				001-81	ATCO container...storage, not a portable
				1963				200-63	Heat/Vent Section
				1967				231-67	Building/Paint
				1982				125-82	Heat/Vent Section
				1963				101-G-63	Storage custodial....structural/electric code de
		1a	Wendler Jr. High	1968				144-68	C&I Annex....Assessment & evaluation 2 offi
		1a	Wonder Park	1965				226-65	Singerland and mod primary office
		1a	APD	1967				233-67	on loan to police department
5/2/91	Annette Island	3	Metlakatla		10yrs		fair	District Office	
			Metlakatla		10yrs		fair	Music Building	
			Metlakatla		10yrs		fair	High School Annex	
5/2/91	Bering Strait	0							
5/20/91	Bristol Bay	0							
4/30/91	Chatham	3							
		2a	Freshwater Bay		10yrs		good		purchased used
		1a	Corner Bay		10yrs				
5/2/91	Chugach	0							
5/1/91	Copper River	8							
		1a	Kenny Lake		16yrs	16yrs	poor	school	purchased used
		1a	Copper Center		16yrs	3yrs	poor	school	from Glennallen
		2a	Glennallen		26yrs	26yrs	poor	teen center	purchased new - one to be relocated to Slana
		1a	Chistochina		16yrs	6yrs	poor	school	
		1a	Slana		16yrs	6yrs	poor	school	
		1a	Nelchina		16yrs	4yrs	poor	school	
		1a	Paxson		16yrs	15yrs	poor	school	
4/30/91	Cordova	2			15yrs		fair	classroom	stationery, on permanent foundation
					15yrs		fair	District Admin o.fice	
5/15/91	Craig	1			20yrs		fair	classroom	originally teacher housing, 3 years as classroom
5/28/91	Delta/Greely	6							
		3 each		1965		26yrs	poor		
		3 each		1975		16yrs	marginal		
	Dillingham	0							
5/30/91	Fairbanks	20							
		3a	Taylor		20+	20+	terrible		
		2a	Pennell		20+	20+	terrible		
		6a	Ben Eielson		20+	20+	terrible		
		6a	N. Pole		20+	20+	bad		
		4a	Badger Rd			6	good		
		4a	Weller			6	good		
		3a	Joy		15+		bad		two were purchased used
4/26/91	Galena	0							
5/10/91	Haines	0							
4/25/91	Hoonah	0							
5/17/91	Ilydaburg	0							
4/29/91	Iditarod	0							
5/10/91	Juneau	7							
		2a	Floyd Dryden		2yrs	2yrs	good	classroom	

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
		3a	Glacier Valley		2yrs	2yrs	good	classroom	
		1a	Auke Bay		2yrs	2yrs	good	classroom	
		1a	Mendenhall River		2yrs	2yrs	good	classroom	
5/21/91	Kake	0							
4/25/91	Kashunamiut	0							
5/20/91	Kenai Peninsula	22							
		2a	Soldotna		15		poor	High School	Borough purchased 5 new units 1983
		3a	Soldotna		8		good	Elementary	Borough purchased 4 new units 1983
		1a	Soldotna		15		poor	Jr. High	Borough purchased 3 new units 1983
		1a	Nikiski		5		good		Borough purchased 4 new units 1983
		1a	Bartlett		12	12	poor		
		2a	Chapman		7		good		
		1a	Redoubt		5		good		relocated 10 units in 1985
		2a	\sears		7		good		relocated 1 units in 1986
		3a	Tustumena		6		good		relocated 3 units in 1988
		1a	Tustumena		5		good		relocated 2 units in 1989
		1a	Vosnesenka		5		good		relocated 10 units in 1990
		2a	Paul Banks		8	8	good		proposed 4 units 1991
		2a	Paul Banks		15	15	poor		
4/25/91	Ketchikan	0							
5/31/91	Kodiak Island	0							
5/16/91	Lake & Pen	0							
5/31/91	Lower Kuskokwim	9							
		3a	Bethel	1965			good		remodel 1990
				1970			fair		
				1970			good		remodel 1990
		1a	Atmathalak	1967			poor		extremely poor condition
		1a	Hunapitchuk	1978			poor		
		1a	Kwethluk	1965			fair		remodeled 1987, moved from Bethel
		3a	Platinum	1961			poor		
			.....	1961			poor		
				1961			poor		
4/25/91	Lower Yukon	0							
6/3/91	Kuspuk/Aniak	0							
4/29/91	Mat-su	54							
		4a	Cottonwood		6yrs	6yrs	good	#4/classroom	
					6yrs	6yrs	good	#5/classroom	
					6yrs	6yrs	good	#6/classroom	
					8yrs	2yrs	good	#36/classroom	
		1a	Finger Lake		6yrs	2yrs	good	#25/classroom	
		7a	Glacier View		8yrs	3yrs	good	#40/classroom	
					8yrs	3yrs	good	#41/classroom	
					8yrs	3yrs	good	#42/classroom	
								#62	
					6yrs	3yrs	good	#63/office	
					8yrs	3yrs	good	#13/classroom	
					15yrs	3yrs	poor	#11/storage	
		4a	Iditarod		8yrs	8yrs	average	#17/classroom	
					8yrs	8yrs	average	#18/classroom	

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
					8yrs	8yrs	average	#19/classroom	
					8yrs	8yrs	average	#48/classroom	
	1a		Palmer Hi School		10yrs	3yrs	average	#3/storage	
	3a		Pioneer Peak		6yrs	3yrs	good	#24/classroom	
					8yrs	3yrs	good	#44/classroom	
					5yrs	3yrs	good	#65/classroom	
	1a		Sherrrod		12yrs	5yrs	poor	#30/storage	
	1a		Skwentna		7yrs	7yrs	average	#31/classroom	
	4a		Snowshoe		8yrs	8yrs	average	#32/classroom	
					8yrs	8yrs	average	#33/classroom	
					8yrs	8yrs	average	#34/classroom	
					8yrs	8yrs	average	#35/classroom	
	4a		Su-Valley		7yrs	7yrs	average	#37/classroom	
					7yrs	7yrs	average	#38/classroom	
					10yrs	6yrs	average	#39/classroom	
						4yrs	poor	#70/shop	
	6a		Swanson		5yrs	5yrs	good	#45/classroom	
					5yrs	5yrs	good	#46/classroom	
					5yrs	5yrs	good	#47/classroom	
					5yrs	5yrs	good	#49/classroom	
					15yrs	15yrs	good	#50/classroom	
					15yrs	15yrs	good	#51/classroom	
	4a		Talkeetna		8yrs	4yrs	good	#52/classroom	
					8yrs	4yrs	good	#53/classroom	
					6yrs	1yr	average	#43/classroom	
					10yrs	5yrs	average	storage/office	
	3a		Tanana		7yrs	2yrs	good	#22/classroom	
					7yrs	2yrs	good	#23/classroom	
					7yrs	2yrs	good	#67/classroom	
	1a		Trapper Creek			10yrs	poor	storage	
	3a		Wasilla Hi Sch			7yrs	poor	#1/classroom	
						7yrs	poor	#2/classroom	
					10yrs	7yrs	average	storage	
	4a		Wasilla Middle		15yrs	7yrs	poor	shop/office	
					5yrs	1yr	good	#28/classroom	
					5yrs	1yr	good	#29/classroom	
					5yrs	1yr	good	#68/classroom	
	2a		Maintenance		7yrs	4yrs	good	#26/office	
					7yrs	4yrs	good	#27/office	
	1a		Warehouse		8yrs	4yrs	average	storage	plus 1 trailer
5/10/91	Kenana	0							
5/3/91	Nome	0							
5/3/91	North Slope	0							
5/9/91	NW Arctic	0							
5/14/91	Pelican	0							
5/10/91	Petersburg	0							
4/26/91	Pribilof	0							
4/25/91	Railbelt	0							
5/15/91	Sitka	0							

none of the existing portables will survive any future moves.

District Office has been placed on a permanent foundation

SOURCE DATE	DISTRICT	TOTAL UNITS	LOCATION	YEAR ACQUIRED	EST. AGE	PRESENT SITE	CONDITION	DESCRIPTION OR USE	GENERAL COMMENTS AND INFORMATION
5/22/91	S.E. Island	17							
		1a	Edna Bay		7yrs	7yrs	good		
		1a	Cabin Creek		unk.	2yrs	fair		on log floats, 7th move
		3a	Hobart Bay		6yrs	6yrs	good		
		1a	Hollis		7yrs	7yrs	good		
		2a	Coffman Cove		21yrs	6yrs	fair		site closure - 3rd move
		1a	Coffman Cove		7yrs	6yrs	good		site closure - 1st move
		2a	Long Island		7yrs	7yrs	good		
					11yrs	11yrs	fair		
		1a	Rowan Bay		2yrs	2yrs	good		
		1a	Thorne Bay		unk.	1yr	fair	voc-ed	purchased used
		1a	Margarita			9	2yrs	fair	log floats, 4th move
		1a	Smith Cove			8		good	
		2a	Naukati			10	4yrs	fair	purchased used
						2	2yrs	good	
5/24/91	S.W. Region	9							
		1a	Aleknagik		5yrs		fair		to accommodate S Shore student population
		8a	Togiak		22yrs		fair		
					22yrs		fair		these 6 were brought onsite
					22yrs		fair		by the BIA and repaired
					22yrs		fair		to allow for building expansion
					22yrs		fair		
					15yrs		poor		reconditioned bunkhouse
					4yrs		fair		
5/1/91	Skagway	0							
5/16/91	St. Mary's	0							
5/3/91	Tanana	0							
4/29/91	Unalaska	1	Unalaska		15yrs	2yrs	ok	next to elementary -	relocated to allow for expansion
5/28/91	Valdez	4	Valdez		15yrs		condemned	no longer used	
5/2/91	Wrangell	0							
4/24/91	Yakutat	0							
5/28/91	Yukon Flats	3	N. Lights Sch.		30yrs	10yrs	poor	purchased used from pipeline days	
4/30/91	Yukon/Koyukuk	0							
4/30/91	Yupit	0							

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF EDUCATION**  
**OFFICE OF THE COMMISSIONER**

GOLDBELT PLACE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1894

November 16, 1993

40

The Honorable Drue Pearce  
Alaska State Legislature  
Anchorage Caucus  
716 W. 4th, Suite 510  
Anchorage, AK 99501-2133

Dear Senator Pearce:

This is in response to your letter dated September 7, 1993 regarding your concerns about the emergency school construction regulations. The Board was made aware of the written concerns received by the department prior to taking action on the emergency regulations. At its October 27-30, 1993 meeting, the Board adopted the regulations as permanent. This is not to say that all concerns have been addressed or that we have completed our review of the overall process. The department anticipates that some significant changes will be proposed during the current year.

As you are aware, the Bond Reimbursement and Grant Review Committee was established in accordance with SB7, as passed in the last legislative session. Your representatives on this committee are Senator Randy Phillips and Representative Con Bunde. This committee will provide on-going review and evaluation of the process and procedures for all aspects of the school bond debt and capital improvement project programs.

As you stated, the department has considered all instructional space when making prior year comparisons to the published square foot guidelines. This does, in fact, include portable classrooms. We are aware of the burden this places on common areas in some facilities. The department is currently reconsidering its position and will make a recommendation to the committee before distribution for general public comment.

Again, you are correct in your understanding of the department's previous ranking process. Projects were prioritized in the order of the criteria established in statute as required by regulations resulting from state-wide meetings open to all facility managers and school district staff.

Letter, Anchorage Caucus  
November 16, 1993  
Page 2

However, the FY95 capital improvement project budget request, published November 1, 1993, utilized a different process whereby no one project criteria or classification received overall priority. Within the major maintenance classification, protection of structure and code upgrade projects competed equally for priority. Life/Health/Safety and unhoused student projects competed equally for school construction dollars followed by operating cost savings, instructional improvement and other projects.

Thank you for taking the time to forward your concerns, and for your financial support of the much needed school capital improvements through the appropriation process.

Sincerely,



Jerry Covey  
Commissioner

cc: Senator Dave Donley  
Representative Mark Hanley  
Representative Ed Willis

AMENDMENT

CSSB 312(HES)

6-1  
FAILED  
Jacko supported

Offered by Senator Jacko

Page 2, after line 4:

Insert a new bill section to read:

"\* Sec. 2. AS 14.11.100(a) is amended by adding a new paragraph to read:

(8) subject to (h) and (i)(1) and (3) of this section, 70 percent of cash payments made after April 1, 1990, but before April 30, 1993, 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 \$150,000."

Renumber the following bill sections accordingly.

Change the title to conform to the amendment.

SENATE FINANCE  
COMMITTEE (1)  
Amendment Number: \_\_\_\_\_  
Bill Number: SB 312  
Sponsor: JACKO Date: 3/21/94  
Logged In By: BM

SENATE AMENDMENT

By Rieger

To: CSSB(312)(HES) SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE:

LINE:

*amend # 2  
withdrawn by Sen. Rieger*

Add a new section as follows:

AS 14.11.013(a)<sup>(1)</sup>(B) is amended to read:

(B) house students who would otherwise  
be unhoused; in this subparagraph  
"unhoused" includes conditions in  
which students are housed in  
temporary facilities. ;

SENATE AMENDMENT #3

MOVED by  
Sen Rieger  
pending @  
request

BY Rieger & ~~Butt~~ W/Drew

To: CSSB(312)(HES) SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE:

LINE:

Add a new section as follows:

AS 14.11.013(a)<sup>(1)</sup>(B) is amended to read:

(B) house students who would otherwise be unhoused; in this subparagraph "unhoused" includes conditions in which students are housed in temporary facilities;

AS. 14.11.102 (b)(4) is amended to read:

(4) existing regional, community, and school facilities, and their condition, and unhoused students: in this subparagraph "unhoused" includes conditions in which students are housed in temporary facilities; this paragraph does not include administrative facilities;

#4

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR RIEGER

TO: CSSB 312(HES)

Page 1, line 1, after "construction":

Insert "and major maintenance"

SENATE FINANCE

COMMITTEE

Amendment Number: Am 9

Bill Number: SB 312

Sponsor: Rieger Date: 3/22/94

Logged In By: [Signature]

Page 1, after line 3:

Insert a new bill section to read:

**\*\* Section 1.** AS 14.11.013(a) is amended to read:

(a) With regard to projects for which grants are requested under AS 14.11.011, the department shall

(1) annually review the six-year plans submitted by each district under AS 14.11.011(b) and recommend to the board a revised and updated six-year capital improvement project grant schedule that serves the best interests of the state and each district; in recommending projects for this schedule, the department shall verify that each proposed project meets the criteria established under AS 14.11.014(b) and qualifies as a project required to

(A) avert imminent danger or correct life-threatening situations;

(B) house students who would otherwise be unhoused; in this subparagraph. "unhoused" includes conditions in which students are housed in temporary facilities that are determined by the department to be materially substandard;

(C) protect the structure of existing school facilities;

(D) correct building code deficiencies that require major repair or rehabilitation in order for the facility to continue to be used for the educational program;

(E) achieve an operating cost savings;

(F) modify or rehabilitate facilities for the purpose of

improving the instructional program;

(G) meet an educational need not specified in (A) - (F) of this paragraph, identified by the department;

(2) prepare an estimate of the amount of money needed to finance each project;

(3) provide to the governor, by November 1, and to the legislature within the first 10 days of each regular legislative session, a revised and updated six-year capital improvement project grant schedule, together with a proposed schedule of appropriations."

Page 1, line 4:

Delete "Section 1."

Insert "Sec. 2."

Page 2, after line 4:

Insert a new bill section to read:

\*\* Sec. 3. AS 14.11.102(b) is amended to read:

(b) The department shall evaluate projects for which retirement of school construction debt is requested. In evaluating projects for bond reimbursement as required under this section, the department shall evaluate all of the following factors, without establishing an absolute priority for any one factor:

(1) emergency requirements;

(2) priorities assigned by the district to the projects requested;

(3) new local elementary and secondary facilities;

(4) the condition of existing regional, community, and school facilities, and unhoued students: in this paragraph, "unhoued" includes conditions in which students are housed in temporary facilities that are determined by the department to be materially substandard [THEIR CONDITION]; this paragraph does not include administrative facilities;

(5) the amount of district operating funds expended for maintenance;

and

(6) other program options for accomplishing the project's objectives."

Renumber the following bill sections accordingly.

SENATE FINANCE  
COMMITTEE

8-LS1734E.3

Ford

3/22/94

Amendment Number: 312

Bill Number: SB 312

Sponsor: RIEGER Date: 3/22/94

Logged In By: [Signature]

AMENDMENT

*amended (see pg 4)*

*MOVED Sen Rieger*

*PASSED*

OFFERED IN THE SENATE

BY SENATOR RIEGER

TO: CSHB 312(HES)

Page 1, line 1, after "grants":

Insert ", to reimbursement to municipalities for school construction debt,"

Page 2, after line 4:

Insert new bill sections to read:

"\* Sec. 2. AS 14.11.100(a) is amended to read:

(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

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1	
To	Legal Services	From	Marie
Co.	Attn: FORD	Co.	Senate Finance
Dept.	NOTE: See	Phone #	
Fax #	Chgo on pg. 4	Fax #	

AS 14.07.020(a)(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(a)(11);

(4) subject to (h), [AND] (i), and (o) 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(a)(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(a)(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 for approval under AS 14.07.020(a)(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 seven [7] percent but less than 12 percent, or (ii) \$20,000,000 if the annual 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 (5)(A) of this subsection;

(5) subject to (h), (i), [AND] (j), and (o) of this section, 80 percent  
of

(A) payments made by the municipality during the fiscal year

for the retirement of principal and interest on

(i) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983, but before March 31, 1990, 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(a)(11);

(ii) outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality before July 1, 1989, and reauthorized before November 1, 1989, 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(a)(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 by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h), (i), (j), and (n) of this section, 70 percent of 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 on or after April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h), (i), (j), [AND] (n), and (o) of this section, 70 percent of 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 March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects.

\* Sec. 3. AS 14.11.100 is amended by adding a new subsection to read:

(o) The percentage of bonded school construction debt that a municipality is eligible to be reimbursed for under (a)(4)(A) and (C), (a)(5)(A), or (a)(7) of this

section shall be reduced by 200 percent of a fraction, the numerator being the amount by which a bond sells at <sup>an original issue</sup> premium to par value and the denominator being the par value of the bond issue." ✓

Renumber the following bill sections accordingly.

Page 2, after line 5:

Insert new bill sections to read:

"\* Sec. 5. Sections 2 and 3 of this Act are retroactive to July 1, 1993.

\* Sec. 6. Sections 2, 3, and 5 of this Act take effect immediately under AS 01.10.070(c)."

Renumber the following bill section accordingly.

Page 2, line 6:

Delete "This"

Insert "Except as provided in sec. 6 of this Act, this"

AN AMENDMENT

BY SENATOR RIEGER

IN SENATE FINANCE

CSSB 312 (FIN)

Sec. 3

Page 3, line 27 delete "and (o)"

Page 4, line 21 delete "and (o)"

Page 5, line 14 delete "and (o)"

Page 5, line 8 add: "and (o)"

Page 5, line 22 delete "(a)(4)(A) and (C), (a)(5)(A), or (a)(7)"

add: "(a)(6)"

SENATE FINANCE  
COMMITTEE

Amendment Number: 6  
Bill Number: SB 312  
Sponsor: RIEGER Date: 3/24/94  
Logged In By: (Signature)

3-31-94  
Committee  
opt'd for  
passing of  
CS (HEB)

**CS FOR SENATE BILL NO. 312(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to school construction and major maintenance grants, to  
2 reimbursement to municipalities for school construction debt, and to interscholastic  
3 school activities; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 14.11.013(a) is amended to read:

6 (a) With regard to projects for which grants are requested under AS 14.11.011,  
7 the department shall

8 (1) annually review the six-year plans submitted by each district under  
9 AS 14.11.011(b) and recommend to the board a revised and updated six-year capital  
10 improvement project grant schedule that serves the best interests of the state and each  
11 district; in recommending projects for this schedule, the department shall verify that  
12 each proposed project meets the criteria established under AS 14.11.014(b) and  
13 qualifies as a project required to

14 (A) avert imminent danger or correct life-threatening situations;

1 (B) house students who would otherwise be unhoused; in this  
2 subparagraph, "unhoused" includes conditions in which students are  
3 housed in temporary facilities that are determined by the department to  
4 be materially substandard;

5 (C) protect the structure of existing school facilities;

6 (D) correct building code deficiencies that require major repair  
7 or rehabilitation in order for the facility to continue to be used for the  
8 educational program;

9 (E) achieve an operating cost savings;

10 (F) modify or rehabilitate facilities for the purpose of improving  
11 the instructional program;

12 (G) meet an educational need not specified in (A) - (F) of this  
13 paragraph, identified by the department;

14 (2) prepare an estimate of the amount of money needed to finance each  
15 project;

16 (3) provide to the governor, by November 1, and to the legislature  
17 within the first 10 days of each regular legislative session, a revised and updated  
18 six-year capital improvement project grant schedule, together with a proposed schedule  
19 of appropriations.

20 \* Sec. 2. AS 14.11.013(c) is amended to read:

21 (c) The department may

22 (1) modify a project request when necessary to achieve cost-  
23 effective school construction;

24 (2) require that school construction in a project request be phased;

25 and

26 (3) reject project requests and omit them from the six-year schedule due  
27 to

28 (A) [(1)] incomplete information or documentation provided by  
29 the district;

30 (B) [(2)] a determination by the department that existing  
31 facilities can adequately serve the program requirements, or that alternative

1 projects are in the best interests of the state;

2 (C) [(3)] a determination that the project is not in the best  
3 interest of the state.

4 \* Sec. 3. AS 14.11.100(a) is amended to read:

5 (a) During each fiscal year, the state shall allocate to a municipality that is a  
6 school district [,] the following sums:

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

10 (2) 90 percent of

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

15 (B) cash payments made after June 30, 1976, and before July 1,  
16 1978, by the municipality during the fiscal year two years earlier to pay costs  
17 of school construction;

18 (3) 90 percent of

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

24 (B) cash payments made after June 30, 1978, and before July 1,  
25 1982, by the municipality during the fiscal year two years earlier to pay costs  
26 of school construction projects approved under AS 14.07.020(a)(11);

27 (4) subject to (h), [AND] (i), and (o) of this section, up to 90 percent  
28 of

29 (A) payments made by the municipality during the current fiscal  
30 year for the retirement of principal and interest on outstanding bonds, notes, or  
31 other indebtedness incurred after December 31, 1981, and authorized by the

1 qualified voters of the municipality before July 1, 1983, to pay costs of school  
2 construction, additions to schools, and major rehabilitation projects that exceed  
3 \$25,000 and are approved under AS 14.07.020(a)(11); and

4 (B) cash payments made after June 30, 1982, and before July 1,  
5 1983, by the municipality during the fiscal year two years earlier to pay costs  
6 of school construction, additions to schools, and major rehabilitation projects  
7 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

21 (5) subject to (h), (i), [AND] (j), and (o) of this section, 80 percent of

22 (A) payments made by the municipality during the fiscal year  
23 for the retirement of principal and interest on

24 (i) outstanding bonds, notes, or other indebtedness  
25 authorized by the qualified voters of the municipality after June 30,  
26 1983, but before March 31, 1990, to pay costs of school construction,  
27 additions to schools, and major rehabilitation projects that exceed  
28 \$25,000 and are approved under AS 14.07.020(a)(11);

29 (ii) outstanding bonds, notes, or other indebtedness  
30 authorized by the qualified voters of the municipality before July 1,  
31 1989, and reauthorized before November 1, 1989, to pay costs of school

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construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(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 by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h), (i), (j), and (n) of this section, 70 percent of 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 on or after April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h), (i), (j), [AND] (n), and (o) of this section. 70 percent of 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 March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects.

\* Sec. 4. AS 14.11.100 is amended by adding a new subsection to read:

(o) The percentage of bonded school construction debt that a municipality is eligible to be reimbursed for under (a)(4)(A) and (C), (a)(5)(A), or (a)(7) of this section shall be reduced by 200 percent of a fraction, the numerator being the amount by which a bond sells at an original issue premium to par value and the denominator being the par value of the bond issue.

\* Sec. 5. AS 14.11.102(b) is amended to read:

(b) The department shall evaluate projects for which retirement of school construction debt is requested. In evaluating projects for bond reimbursement as required under this section, the department shall evaluate all of the following factors, without establishing an absolute priority for any one factor:

(1) emergency requirements;

- 1 (2) priorities assigned by the district to the projects requested;  
2 (3) new local elementary and secondary facilities;  
3 (4) the condition of existing regional, community, and school facilities,  
4 and unhoused students; in this paragraph, "unhoused" includes conditions in  
5 which students are housed in temporary facilities that are determined by the  
6 department to be materially substandard [THEIR CONDITION]; this paragraph  
7 does not include administrative facilities;  
8 (5) the amount of district operating funds expended for maintenance;  
9 and  
10 (6) other program options for accomplishing the project's objectives.

11 \* **Sec. 6.** AS 14.07.058 and 14.07.059 are repealed.

12 \* **Sec. 7.** Sections 3 and 4 of this Act are retroactive to July 1, 1993.

13 \* **Sec. 8.** Sections 3, 4, and 7 of this Act take effect immediately under AS 01.10.070(c).

14 \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 1994.

**SENATE COMMITTEE REPORT**  
**FIRST COMMITTEE OF REFERRAL**

DATE: 2/14/94

FURTHER: Finance

Date of 5-Day Notice: 3/10/94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/17/94

HESS Committee considered SB 312

"An Act relating to school construction grants; and providing for an effective date."

and recommends:

replace with \_\_\_\_\_ CS SB 312 (HES)

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

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
Education	3/14/94	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

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

DO PASS:

Mike Miller

Crew DeLuca

Bob Murphy

OTHER RECOMMENDATIONS:

Jill [unclear] - No Rec

Bill [unclear] No Rec

Judy [unclear] No Rec

March 24, 1994

Ann,

Received a transfer call from Senator Frank's office regarding SB 312. The caller was former Senator Dick Schulz. He expressed concern that the bill allows the Dept. of Education to modify a project request when it deems it necessary and make the project a phased project. That forces both districts and the legislature to adhere to Dept. of Education guidelines, and that is wrong. I advised that Senate Finance discussed the bill with bond counsel this morning and that Senator Rieger and Senator Sharp would be working on additional new language. He said he would call Senator Sharp, straightaway. I told him I would forward his concerns to your office for Senator Rieger.

Kathy  
2618