

**SB**

**59**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/93

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SENATE BILL NO. 59

"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; 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.**

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**OTHER RECOMMENDATIONS:**

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1. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 1/22/93

FURTHER: FINANCE

Date of 5-Day Notice: 1/28/93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-13-93

HES Committee considered SB 59

"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; and providing for an effective date."

and recommends:

and recommends it be replaced with

replace with \_\_\_\_\_ CS SB 59 (HES)

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

attaches amendment(s) 3 rpt at bk on file

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

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

do pass

do not pass

no recommendation

individual recommendations

*For 2 of 154*

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DOT	11/21/92		130.5
DOT-PE	11/22/92	✓	
Language	1/22/93	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

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

DO PASS:

OTHER RECOMMENDATIONS:

- 2 Mike Miller No Rec
- 2 Karen A. Lemay NR
- 2 G. Sals (No Rec)
- 2 Bud Dierker (No Rec)
- 2 Ken Sharp No Rec

2

Steve King Do Pass

Chair: Signature and Recommendation

**ALASKA STATE LEGISLATURE**  
**SENATE BILL NO. 59**

**HISTORY IN THE SENATE**

1993  
 1/22  
 4/13

Read first time and referred to:  
HES FIN

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HES RPT(  ) CS 1 DP 5 NR 1 DNP AM  
 New Title Same Title 20 Previous FN  
 FN OFN To Enrolled

\_\_\_\_ 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

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Secretary of the Senate

**HISTORY IN THE HOUSE**

19

Read first time and referred to:

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\_\_\_\_ 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

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Chief Clerk of the House

**SENATE-HOUSE HISTORY Continued**

<b>19</b>	<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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<b>19</b>	<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

No. 3

Bill Version: SB 59

(S) Publish Date: 1/22/93

**STATE OF ALASKA  
1993 LEGISLATIVE SESSION**

**BILL**

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						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

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						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME			
PART-TIME			
TEMPORARY			

Changes in CS SB 57 (H25) have no fiscal impact. This fiscal note is appropriate.

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

4/13/93 bh  
 date Comte Aide (initial)

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Brian C. Andrews  
 Division: Treasury  
 Approved by Commissioner: [Signature]  
 Agency: Treasury

Phone: 465-4880  
 Date: 1-20-93  
 Date: 1/20/93

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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)		



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	
	<b>FY 94 Total</b>	<b>\$130.5</b>

1/11/93

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
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>		
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		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
IA Receipts	1007			
CIP Receipts	1061	81.6		
Other				
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.				

4 of 5

**Request For  
New Position**

AGENCY Education  
 BRU Executive Administration  
 COMPONENT CIP Overhead and Associated Costs

**FY** 1994

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date: \_\_\_\_\_

Position Title <b>Clerk Typist III</b>		No. of Positions <b>1</b>	Range / Step <b>8B</b>	Barg. Unit <b>GGU</b>
Time Status <b>PFT</b>	Staff Months <b>12</b>	Location <b>Juneau</b>		Election District <b>3, 4</b>
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b> 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.	
Salary		22.6		
Benefits		10.9		
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>33.5</b>		
Travel				
Contractual		5.8		
Commodities		.6		
Equipment		9.0		
Other				
<b>Total Cost</b>		<b>48.9</b>		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004				
IA Receipts 1007				
CIP Receipts 1061		48.9		
Other				

5 of 5

**Request For  
New Position**

AGENCY Education  
 BRU Executive Administration  
 COMPONENT CIP Overhead and Associated Costs

**FY 1994**

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date: \_\_\_\_\_

**FISCAL NOTE**

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
<b>TOTAL OPERATING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
<b>TOTAL FUNDING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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: \$ \_\_\_\_\_

Changes in CS SB 59 (HES) have no fiscal impact. This fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary)

4/13/93  
date hh  
Comte Aide (initial)

Prepared by: Kit Duke

Phone: 562-2728

Division: Assistant Commissioner

Date: January 20, 1993

Approved by Commissioner: Frank G. Turpin

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: January 20, 1993

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# FISCAL NOTE

No. 1

Bill Version: SB 59

(S) Publish Date: 1/22/93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

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						
<b>TOTAL OPERATING</b>	<b>130.5</b>	<b>118.1</b>	<b>120.8</b>	<b>123.5</b>	<b>126.3</b>	<b>129.3</b>

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	130.5	118.1	120.8	123.5	126.3	129.3
<b>TOTAL</b>	<b>130.5</b>	<b>118.1</b>	<b>120.8</b>	<b>123.5</b>	<b>126.3</b>	<b>129.3</b>

**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

Changes in CS SB 59 (HES)  
 reflect NO FISCAL CHANGE from the original  
 fiscal note. This fiscal note is appropriate.  
4/13/93 lh  
 date Comte Aide (initial)

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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## SECTIONAL ANALYSIS

### CS for Senate Bill No. 59 (HES)

"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; and providing for an effective date."

Section 1 provides that the department may not award a school construction or major maintenance grant under AS 14.11 to a municipality that is a school district or a REAA that is not in compliance with the insurance requirements of AS 14.03.050(a).

Section 2 extends the duties of the Department of Education under AS 14.07.020(a)(11) to include review of major maintenance projects.

Section 3 changes the school construction grant fund to include major maintenance grants.

Section 4 establishes a school district participation share.

- School districts must provide a percentage share of the project costs to receive a major maintenance grant.
- A city or borough school district's participating share is calculated by dividing the value of taxable real and personal property described in AS 14.17.025(a)(1) by the district average daily membership (ADM), defined in AS 14.17.250 to establish the district's full value ADM.
- The higher the full value ADM the higher will be the district participating share ranging from 5 percent to 30 percent.
- The required participating share for a REAA will be 3.8 percent, phased-in during the next three years. (Please see Section 13.)
- The REAA's participating share may be satisfied by federal or local money, locally contributed labor, material, or equipment, or other sources providing that the grant under AS 14.11 may not be a source of the share.

- If a REAA can demonstrate in writing that it is unable to provide the participating share, or that the requirement will jeopardize receipt of federal assistance, the Commissioner may waive all or a portion of the participating share.

Section 5 amends the section on grant applications to reflect the addition of major maintenance grants and eliminates the reference to school construction.

Section 6 substitutes capital improvement project for the term construction in reference to grants under AS 14.11.013(a).

Section 7 amends AS 14.11.013(b) to substitute the term capital improvement project for construction and by eliminating the term school construction.

- Clarifies that the department shall evaluate all factors in establishing priorities without giving one factor priority over another.

Section 8 eliminates the term school construction in reference to approval of a grant application.

- Provides that the grants will be approved only to the extent that mone, is available in the appropriate fund.

Section 9 eliminates the term school construction under grant conditions for a municipality that is a school district or a REAA.

- Clarifies that applicants for a grant under AS 14.11.017 must meet department criteria if the grant is for school construction.
- Clarifies that grant conditions include major maintenance projects as appropriate in the area.
- In other subsections of the grant conditions, eliminates the terms school construction and constructions, and adds the terms project and appropriate, to conform to the new major maintenance grant section.

Section 10 adds a new section to allow the department by regulation to establish time periods for establishing costs of school construction.

Section 11 eliminates the term school construction from grant appropriation under AS 14.11.019 and substitutes the terms capital improvement project for construction.

Section 12 changes the definitional section.

- Defines "capital improvement project" to mean to school construction or major maintenance.
- Defines "grant" to mean a grant for school construction or major maintenance.
- Clarifies that "major maintenance" means a project described in AS 14.11.013(a)(1)(C) or (D).
- Defines "school construction" to mean a project described in AS 14.11.013(a)(1)(A), (B), (E), (F), or (G).

Section 13 states the participating share for a REAA is not required for grants made in 1993.

- The grants awarded in 1994 will require a participating share of two percent and grants awarded in 1995 will require a participating share of three percent.

Section 14 suspends certain grant provisions for 1993.

Section 15 provides an effective date.



WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

59

January 22, 1993

The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Halford:

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

The Honorable Rick Halford  
January 22, 1993  
Page 2

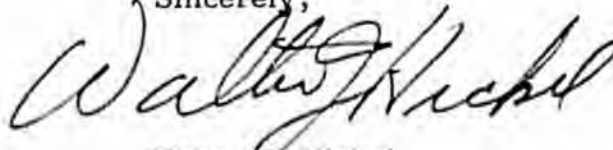
district as of a certain date, and on the district's average daily membership (ADM). A district with a relatively higher property value per ADM will have a relatively higher percentage participating share. City and borough school districts will be required to provide a participating share beginning with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

A handwritten signature in cursive script, appearing to read "Walter J. Hickel".

Walter J. Hickel  
Governor

# STATE OF ALASKA

## DEPARTMENT OF EDUCATION

WALTER J. HICKEL, GOVERNOR

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

### Senate Bill 59

#### **"An Act relating to school construction grants and major maintenance grants . . ."**

The following information is provided to the Senate HESS Committee:

1. Summary of Senate Bill 59
2. Sectional Analysis of Senate Bill 59
3. Governor Hickel's transmittal letter
4. Fiscal Note from the Department of Education
5. Deployment Flow Chart of Capital Improvement Project Grant Process
6. Appendix A - Alaska School Districts sorted by the required participation share

## **SB 59**

### **"An Act relating to school construction grants and major maintenance grants . . ."**

#### **Two Grant Categories**

- The legislation separates school construction grants into two categories; grants for school construction and grants for major maintenance of school facilities.
- 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.

#### **Grants for School Construction**

- School construction projects are those necessary to correct multiple building deficiencies affecting the life, health, and safety of students and staff. Also included are those projects addressing overcrowded schools.

#### **Grants for Major Maintenance**

- 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.

#### **Participating Share**

- In order to receive a school construction or major maintenance grant, a school district must provide a participating share of the project cost -- phased in over four years.
- 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 district, 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.
- A regional educational attendance area (REAA) participating share is set at a maximum of 3.8% of the project request, phased-in over a four year period. The Commissioner may waive all or a portion of the share under certain circumstances.