

**SB**

**59**

CS FOR SENATE BILL NO. 59(HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to school construction grants and major maintenance grants to  
2 school districts; providing for school district participation in the cost of school  
3 construction and major maintenance; and providing for an effective date."

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

5 \* Section 1. AS 14.03.150(c) is amended to read:

6 (c) The department may not award a school construction or major  
7 maintenance grant under AS 14.11 to a municipality that is a school district or a  
8 regional educational attendance area that is not in compliance with (a) of this section.  
9 The department shall reduce the amount of state foundation aid under AS 14.17.021  
10 for which a school district may qualify [,] by the amount, if any, paid by the  
11 department under (b) of this section.

12 \* Sec. 2. AS 14.07.020(a)(11) is amended to read:

13 (11) review plans for construction of new public elementary and  
14 secondary schools and for additions to and major rehabilitation of existing public

1 elementary and secondary schools and, in accordance with regulations adopted by the  
 2 department, determine and approve the extent of eligibility for state aid of a school  
 3 construction or major maintenance project [BEGUN AFTER JULY 1, 1978]; for the  
 4 purposes of this paragraph, "plans" include educational specifications, schematic  
 5 designs, and final contract documents;

6 \* Sec. 3. AS 14.11.005 is amended to read:

7 Sec. 14.11.005. SCHOOL [CONSTRUCTION] GRANT FUND. There is  
 8 created a school [CONSTRUCTION] grant fund as an account in the general fund.  
 9 The fund shall be used to make grants for the costs of school construction or major  
 10 maintenance. Legislative appropriations for school construction or major  
 11 maintenance shall be deposited in the fund, and the proceeds from the sale of general  
 12 obligation bonds for school construction may be deposited in the fund.

13 \* Sec. 4. AS 14.11 is amended by adding a new section to read:

14 Sec. 14.11.008. SCHOOL DISTRICT PARTICIPATION IN GRANT  
 15 PROGRAM. (a) In order to receive a grant, a school district must provide a  
 16 percentage share of the project cost, as determined under (b) or (c) of this section.

17 (b) The required participating share for a city or borough school district is  
 18 based on the district's full value per ADM, which is calculated by dividing the full and  
 19 true value of the taxable real and personal property in the district, calculated as  
 20 described in AS 14.17.025(a)(1), by the district average daily membership (ADM) as  
 21 defined in AS 14.17.250, for the same fiscal year for which the valuation was made.  
 22 The district's full value per ADM determines the district's required participating share,  
 23 as follows:

Full Value Per ADM	District Participating Share
\$1 - \$100,000	5 percent
100,001 - 200,000	15 percent
over 200,000	30 percent.

24  
 25  
 26  
 27  
 28 (c) The required participating share for a regional educational attendance area  
 29 is 3.8 percent. The required share may be satisfied by federal or local money, locally  
 30 contributed labor, material, or equipment, or money from other sources. If a regional  
 31 educational attendance area can demonstrate in writing that it is unable to provide the

1 required participating share or that the requirement to provide a participating share will  
2 jeopardize receipt of federal assistance, the commissioner may waive all or a portion  
3 of the required participating share.

4 (d) State funds received under this chapter may not be used as a source of the  
5 required participating share under (b) or (c) of this section.

6 \* Sec. 5. AS 14.11.011 is amended to read:

7 Sec. 14.11.011. GRANT APPLICATIONS. (a) A municipality that is a  
8 school district or a regional educational attendance area may submit a [GRANT]  
9 request to the department for a [SCHOOL CONSTRUCTION] grant under this  
10 chapter.

11 (b) For a municipality that is a school district or a regional educational  
12 attendance area to be eligible for a [SCHOOL CONSTRUCTION] grant under this  
13 chapter, the district shall submit

14 (1) a six-year capital improvement plan that includes a description of  
15 the district's fixed asset inventory system and preventive maintenance program no later  
16 than September 1 of the fiscal year before the fiscal year for which the request is  
17 made; the six-year plan must contain for each proposed project a detailed scope of  
18 work, a project budget, and documentation of conditions justifying the project;

19 (2) evidence that the district has secured and will maintain adequate  
20 property loss insurance for the replacement cost of all facilities for which state funds  
21 are available under AS 14.11.005 or has a program of insurance acceptable to the  
22 department; and

23 (3) evidence acceptable to the department that the proposed project  
24 should be a capital improvement [CONSTRUCTION] project and not part of a  
25 preventive maintenance program or regular custodial care program.

26 \* Sec. 6. AS 14.11.013(a) is amended to read:

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

29 (1) annually review the six-year plans submitted by each district under  
30 AS 14.11.011(b) and recommend to the board a revised and updated six-year capital  
31 improvement project [CONSTRUCTION] grant schedule that serves the best interests

1 of the state and each district; in recommending projects for this schedule, the  
2 department shall verify that each proposed project qualifies as a project required to

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

4 (B) house students who would otherwise be unhoused;

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 [CONSTRUCTION] grant schedule, together  
19 with a proposed schedule of appropriations.

20 \* Sec. 7. AS 14.11.013(b) is amended to read:

21 (b) In preparing the capital improvement project [CONSTRUCTION] grant  
22 schedule, the department shall establish priorities among projects for which grants are  
23 requested and shall award [SCHOOL CONSTRUCTION] grants in the order of priority  
24 established. In establishing priorities, the department shall evaluate at least the  
25 following factors, which shall be considered as a whole and the department may  
26 not give one factor priority over another:

27 (1) emergency requirements;

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

29 (3) new local elementary and secondary programs;

30 (4) existing regional, community, and school facilities, and their  
31 condition; and

1 (5) alternate education program options for accomplishing the project's  
2 objectives.

3 \* Sec. 8. AS 14.11.015 is amended to read:

4 Sec. 14.11.015. APPROVAL OF GRANT APPLICATIONS. (a) The board  
5 shall review grant applications that have been recommended by the department under  
6 AS 14.11.013, and may approve a grant application if the board determines that the  
7 project meets the criteria specified in AS 14.11.013(a)(1). The department may not  
8 award a [SCHOOL CONSTRUCTION] grant unless the grant application is approved  
9 by the board.

10 (b) To the extent that money is available, the [THE] department shall award  
11 grants approved under (a) of this section in the order of the projects' priority on the  
12 date the appropriation bill funding the [SCHOOL CONSTRUCTION] grant fund is  
13 passed by the legislature, regardless of any appeal pending under AS 14.11.016.  
14 Appeals pending under AS 14.11.016 at the time that grants are awarded may not  
15 delay the funding of grants awarded under this section

16 (c) If a project is assigned a new priority ranking under AS 14.11.016 after the  
17 date of passage by the legislature of the appropriation bill for the [SCHOOL  
18 CONSTRUCTION] grant fund, the new priority ranking applies with respect to any  
19 subsequent legislative appropriation to the grant fund [THE PROJECT MUST BE  
20 FUNDED IN ACCORDANCE WITH THE NEW PRIORITY RANKING AT THE  
21 NEXT TIME THAT SCHOOL CONSTRUCTION GRANTS ARE AWARDED].

22 \* Sec. 9. AS 14.11.017 is amended to read:

23 Sec. 14.11.017. [SCHOOL CONSTRUCTION] GRANT CONDITIONS. (a)  
24 The department shall require in the grant agreement that a municipality that is a school  
25 district or a regional educational attendance area

26 (1) agree to construction of a facility of appropriate size and use that  
27 meets criteria adopted by the department if the grant is for school construction;

28 (2) provide reasonable assurance by a means acceptable to the  
29 department, that the cost of the project will be uniform with the costs of the most  
30 current construction or major maintenance projects, as appropriate, in the area;

31 (3) agree to limit equipment purchases to that required for the approved

1 project [SCHOOL CONSTRUCTION] plan submitted under (5) of this subsection  
2 and account for all equipment purchased for the project under a fixed asset inventory  
3 system approved by the department;

4 (4) submit project budgets for department approval and agree that the  
5 grant amount may, at the discretion of the department, be reduced or increased by  
6 amounts equal to the amounts by which contracts vary from the budget amounts  
7 approved by the department; and

8 (5) submit to the department for approval, before award of the  
9 [CONSTRUCTION] contract, a plan for the project [SCHOOL CONSTRUCTION]  
10 that includes educational specifications, final [CONSTRUCTION] drawings, and  
11 contract documents.

12 (b) The cost of any school construction or major maintenance activity  
13 encompassed by the definition of "costs of school construction" under AS 14.11.135  
14 is payable under a grant awarded under AS 14.11.015 without regard to whether the  
15 costs were incurred before [PRIOR TO] the

16 (1) award of the grant;

17 (2) approval of the grant application by the board; or

18 (3) effective date of an appropriation to the [SCHOOL  
19 CONSTRUCTION] grant fund for the year in which the grant is funded.

20 \* Sec. 10. AS 14.11.017 is amended by adding a new subsection to read:

21 (c) The department, by regulation, may establish the time period in which  
22 activities described in (b) of this section must have occurred in order to be paid under  
23 a grant.

24 \* Sec. 11. AS 14. 1.019 is amended to read:

25 Sec. 14.11.019. [SCHOOL CONSTRUCTION] GRANT APPROPRIATIONS.  
26 Within the general appropriation bill submitted to the legislature under AS 37.07.020,  
27 the governor shall include an appropriation for [SCHOOL CONSTRUCTION] grants  
28 in the succeeding fiscal year as determined by the six-year capital improvement  
29 project [CONSTRUCTION] grant schedule prepared under AS 14.11.013.

30 \* Sec. 12. AS 14.11.135 is repealed and reenacted to read:

31 Sec. 14.11.135. DEFINITIONS. In this chapter, unless the context requires

1 otherwise,

2 (1) "approved school construction project" means the plan for a new  
3 school or an addition to or major rehabilitation of an existing school to the extent that  
4 the plan has been approved by the commissioner in accordance with  
5 AS 14.07.020(a)(11);

6 (2) "capital improvement project" or "project" means school  
7 construction or major maintenance;

8 (3) "costs of school construction" means the cost of acquiring,  
9 constructing, enlarging, repairing, remodeling, equipping, or furnishing of public  
10 elementary and secondary schools that are owned or operated by the state, a  
11 municipality, or a district and includes the sum total of all costs of financing and  
12 carrying out the project; these include the costs of all necessary studies, surveys, plans  
13 and specifications, architectural, engineering or other special services, acquisition of  
14 real property, site preparation and development, purchase, construction, reconstruction  
15 and improvement of real property and the acquisition of machinery and equipment that  
16 may be necessary in connection with the project; an allocable portion of the  
17 administrative and operating expenses of the grantee; the cost of financing the project,  
18 including interest on bonds issued to finance the project; and the cost of other items,  
19 including indemnity and surety bonds and premiums on insurance, legal fees, fees and  
20 expenses of trustees, depositaries, financial advisors, and paying agents for the bonds  
21 issued as the issuer considers necessary;

22 (4) "district" means a district described in AS 14.12.010;

23 (5) "grant" means a grant under this chapter for school construction or  
24 for major maintenance;

25 (6) "major maintenance" means a project described in  
26 AS 14.11.013(a)(1)(C) or (D);

27 (7) "school construction" means a project described in  
28 AS 14.11.013(a)(1)(A), (B), (E), (F), or (G).

29 \* Sec. 13. Notwithstanding AS 14.11.008(c), enacted in sec. 4 of this Act, the required  
30 participating share for a regional educational attendance area is

31 (1) not required for grants made from appropriations passed by the legislature

1 in 1993;

2 (2) two percent for grants made from appropriations passed by the legislature

3 in 1994;

4 (3) three percent for grants made from appropriations passed by the legislature

5 in 1995.

6 \* Sec. 14. SUSPENSION OF CERTAIN GRANT PROVISIONS; DUTY OF  
7 DEPARTMENT OF EDUCATION. (a) Notwithstanding any other provision of law, the  
8 provisions of AS 14.11.011 - 14.11.019, except AS 14.11.011(b)(2), do not apply to grants  
9 made from appropriations passed by the legislature in 1993, except as otherwise provided by  
10 the legislature in an Act making an appropriation to the school grant fund (AS 14.11.005).

11 (b) The Department of Education shall award and administer grants made from the  
12 school grant fund (AS 14.11.005) for costs of school construction or major maintenance, from  
13 appropriations to the fund passed by the legislature in 1993. The department may adopt  
14 regulations to implement this subsection.

15 \* Sec. 15. This Act takes effect July 1, 1993.

**FISCAL NOTE**

Revision Date  
Title School Construction

Department Affected: DOT&PF  
BRU

Sponsor  
Requestor Rules  
Governor

Component  
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 CF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: K.H. Duke

Phone: 562-2728

Division: Assistant Commissioner

Date: January 20, 1993

Approved by Commissioner

*Frank G. Turpin*  
Frank G. Turpin

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: January 20, 1993

No. 3

# FISCAL NOTE

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)

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

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

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

**FUNDING:** (Thousands of Dollars)

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

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

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
For further distribution information call the Governor's Legislative Office

# 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.

## SECTIONAL ANALYSIS

### Senate Bill 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."

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 establishes a major maintenance grant fund in the general fund through legislative appropriations for school major maintenance.

- 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 40 percent.
- The city or borough school district participating share will increase 5 percent for each of the school years that began in 1994, 1995, and 1996 to a total of 15 percent.
- The participating share for a REAA will be one percent of the grant commencing the school year that begins in 1994, and increases by 1.4 percent in each of the school years that begin in 1995 and 1996.

- 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 4 amends the section on grant applications to reflect the new major maintenance grant fund and eliminates the reference to school construction.

Section 5 substitutes capital improvement project for the term construction in reference to grants under AS 14.11.013(a).

Section 6 amends AS 14.11.013(b) to substitute the term capital improvement project for construction and by eliminating the term school construction.

Section 7 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 money is available in the appropriate fund.

Section 8 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.

- Adds a new subsection to allow the department by regulation to establish time periods for establishing costs of school construction.

Section 9 eliminates the term school construction from grant appropriation under AS 14.11.019 and substitutes the terms capital improvement project for construction.

Section 10 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 11 allows that changes made by this Act apply to grants awarded under AS 14.11.005 - 019 after June 30, 1993.

Section 12 provides an effective date.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

and

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

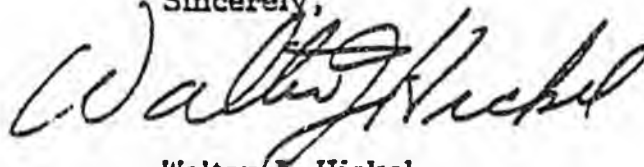
district as of a certain date, and on the district's average daily membership (ADM). A district with a relatively higher property value per ADM will have a relatively higher percentage participating share. City and borough school districts will be required to provide a participating share beginning with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



Walter G. Hickel  
Governor

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. \_\_\_\_\_

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	3.4	13.4	13.4
CONTRACTUAL	11.6	11.6	11.6	1.6	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						
---------	--	--	--	--	--	--

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

**FUNDING:**

(Thousands of Dollars)

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

**ANALYSIS:** (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Garv M. Bader  
 Division: Administrative Services  
 Approved by Commissioner: *Mark S. Malin*  
 Agency: Department of Education

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

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

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 (SB)	\$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

FY 94 Total \$130.5

1/11/93

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

**Request For  
New Position**

AGENCY Education  
 BRU Executive Administration  
 COMPONENT CIP Overhead and Associated Costs

APR 1994

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

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

**Request For  
New Position**

AGENCY Education

ORR Executive Administration

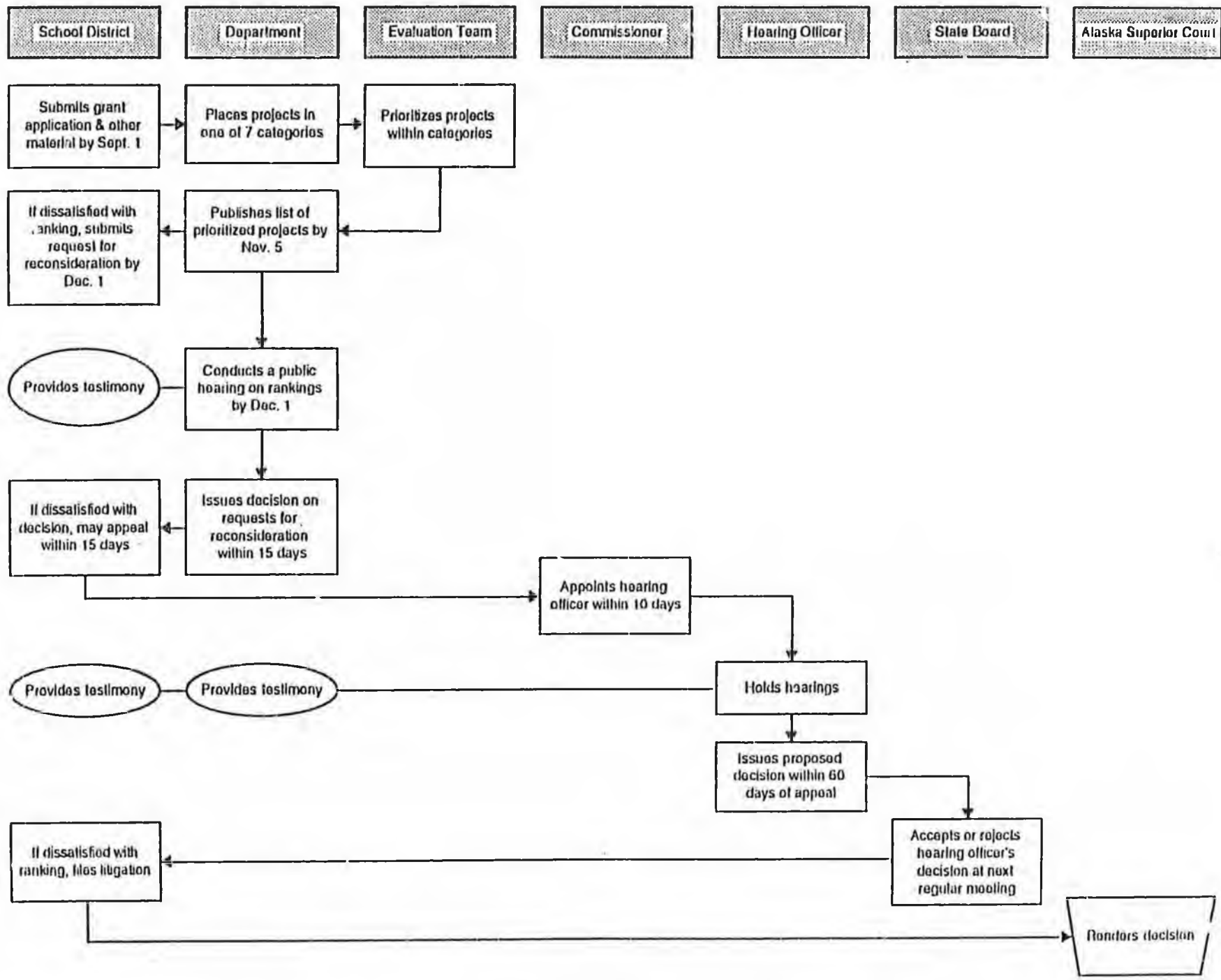
COMPONENT CIP Overhead and Associated Costs

**FY 1994**

Page \_\_\_\_\_ of \_\_\_\_\_

Revised Date: \_\_\_\_\_

# Deployment Flow Chart of Capital Improvement Project Grant Process: Alaska Department of Education



# Capital Improvement Program Budget Request -

January 21, 1993

## Appendix A

Appendix A - Capital Improvement Program Budget Request - January 21, 1993

FY94 FUNDING LEVEL 80 - 100%	1992 FULL VALUE	FY92 ADM	FULL VALUE	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED
DISTRICT NAME	DETERMINATION		PER ADM	FY94	FY95	FY96	FY97
SORTED BY PERCENT FUNDED							
Range per ADM			\$0				
ADAK	\$0	714.45	\$0	100.0%	99.0%	97.6%	96.2%
ALASKA GATEWAY	\$0	495.45	\$0	100.0%	99.0%	97.6%	96.2%
ALEUTIAN REGION	\$0	28.07	\$0	100.0%	99.0%	97.6%	96.2%
ANNETTE ISLANDS	\$0	423.90	\$0	100.0%	99.0%	97.6%	96.2%
BERING STRAIT	\$0	1,433.50	\$0	100.0%	99.0%	97.6%	96.2%
CHATHAM	\$0	376.30	\$0	100.0%	99.0%	97.6%	96.2%
CHUGACH	\$0	128.25	\$0	100.0%	99.0%	97.6%	96.2%
COPPER RIVER	\$0	588.45	\$0	100.0%	99.0%	97.6%	96.2%
DELTA/GREELY	\$0	849.70	\$0	100.0%	99.0%	97.6%	96.2%
IDITAROD	\$0	388.25	\$0	100.0%	99.0%	97.6%	96.2%
KASHUNAMIUT	\$0	191.15	\$0	100.0%	99.0%	97.6%	96.2%
KUSPUK	\$0	443.70	\$0	100.0%	99.0%	97.6%	96.2%
LOWER KUSKOKWIM	\$0	2,780.33	\$0	100.0%	99.0%	97.6%	96.2%
LOWER YUKON	\$0	1,364.45	\$0	100.0%	99.0%	97.6%	96.2%
PRIBILOF	\$0	152.90	\$0	100.0%	99.0%	97.6%	96.2%
SOUTHEAST	\$0	415.80	\$0	100.0%	99.0%	97.6%	96.2%
SOUTHWEST	\$0	472.50	\$0	100.0%	99.0%	97.6%	96.2%
YUKON FLATS	\$0	377.87	\$0	100.0%	99.0%	97.6%	96.2%
YUKON/KOYUKUK	\$0	549.50	\$0	100.0%	99.0%	97.6%	96.2%
YUPIIT	\$0	360.00	\$0	100.0%	99.0%	97.6%	96.2%
Range per ADM			\$1 - \$100,000				
RAILBELT - DENALI BOROUGH	Note (1)	329.60	\$0	95.0%	95.0%	95.0%	95.0%
ST. MARY'S	\$4,459,300	105.50	\$42,268	95.0%	95.0%	95.0%	95.0%
HYDABURG	\$5,736,300	119.00	\$48,204	95.0%	95.0%	95.0%	95.0%
KLAWOCK	\$14,793,800	211.85	\$69,831	95.0%	95.0%	95.0%	95.0%
NENANA	\$15,112,200	189.50	\$79,748	95.0%	95.0%	95.0%	95.0%
KAKE	\$16,951,200	185.05	\$91,603	95.0%	95.0%	95.0%	95.0%
HOONAH	\$22,813,100	234.95	\$97,098	95.0%	95.0%	95.0%	95.0%
Range per ADM			\$100,001 - \$200,000				
TANANA	\$11,245,600	100.00	\$112,456	85.0%	80.0%	75.0%	70.0%
GALENA	\$19,965,100	142.30	\$140,303	85.0%	80.0%	75.0%	70.0%
YAKUTAT	\$19,957,200	131.00	\$152,345	85.0%	80.0%	75.0%	70.0%
LAKE AND PENINSULA	\$68,429,800	446.70	\$153,190	85.0%	80.0%	75.0%	70.0%
CRAIG	\$50,954,200	314.25	\$162,145	85.0%	80.0%	75.0%	70.0%
NOME	\$126,631,300	776.00	\$163,185	85.0%	80.0%	75.0%	70.0%
NORTHWEST ARCTIC	\$326,931,100	1,643.15	\$198,966	85.0%	80.0%	75.0%	70.0%
MAT-SU	\$2,020,623,780	10,141.33	\$199,246	85.0%	80.0%	75.0%	70.0%

Appendix A - Capital Improvement Program Budget Request - January 21, 1993

FY94 FUNDING LEVEL 60 - 100%	1992 FULL VALUE	FY92 ADM	FULL VALUE	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	
DISTRICT NAME	DETERMINATION		PER ADM	FY94	FY95	FY96	FY97	
SORTED BY PERCENT FUNDED								
<b>Range per ADM</b>			<b>\$200,001 - \$600,000</b>					
FAIRBANKS	\$3,256,294,590	14,883.20	\$218,790	70.0%	65.0%	60.0%	55.0%	
ALEUTIANS EAST	\$86,859,000	370.00	\$234,754	70.0%	65.0%	60.0%	55.0%	
DILLINGHAM	\$121,235,100	504.10	\$240,498	70.0%	65.0%	60.0%	55.0%	
WRANGELL	\$132,997,300	528.75	\$251,532	70.0%	65.0%	60.0%	55.0%	
ANCHORAGE	\$11,154,498,820	43,168.77	\$258,393	70.0%	65.0%	60.0%	55.0%	
PETERSBURG	\$186,577,700	702.35	\$265,648	70.0%	65.0%	60.0%	55.0%	
HAINES	\$122,749,700	447.90	\$274,056	70.0%	65.0%	60.0%	55.0%	
SITKA	\$517,478,500	1,786.77	\$289,616	70.0%	65.0%	60.0%	55.0%	
JUNEAU	\$1,566,985,100	5,247.30	\$298,627	70.0%	65.0%	60.0%	55.0%	
PELICAN	\$13,922,600	45.90	\$303,325	70.0%	65.0%	60.0%	55.0%	
CORDOVA	\$151,877,040	478.75	\$317,237	70.0%	65.0%	60.0%	55.0%	
KODIAK	\$829,302,700	2,534.69	\$327,181	70.0%	65.0%	60.0%	55.0%	
KETCHIKAN	\$933,887,400	2,663.50	\$350,624	70.0%	65.0%	60.0%	55.0%	
KENAI	\$3,464,822,580	9,449.30	\$366,675	70.0%	65.0%	60.0%	55.0%	
SKAGWAY	\$76,393,200	145.00	\$526,850	70.0%	65.0%	60.0%	55.0%	
<b>Range per ADM</b>			<b>Over \$600,000</b>					
BRISTOL BAY	\$173,673,500	267.15	\$650,097	60.0%	55.0%	50.0%	45.0%	
UNALASKA	\$331,802,860	290.00	\$1,144,148	60.0%	55.0%	50.0%	45.0%	
VALDEZ	\$1,146,055,810	853.75	\$1,342,379	60.0%	55.0%	50.0%	45.0%	
NORTH SLOPE	\$12,518,662,310	1,462.45	\$8,560,062	60.0%	55.0%	50.0%	45.0%	
<b>TOTALS / AVERAGE VALUE</b>	<b>\$39,510,677,850</b>	<b>113,434</b>	<b>\$348,313</b>	<b>85.8%</b>	<b>83.0%</b>	<b>79.9%</b>	<b>76.9%</b>	
<b>EXCLUDING NORTH SLOPE</b>	<b>\$26,992,015,540</b>	<b>111,972</b>	<b>\$241,061</b>					
Note (1) Railbelt REAA is in transition to Denali Borough Schools								

Appendix A - Capital Improvement Program Budget Request - January 21, 1993

FY94 FUNDING LEVEL 60 - 100%	1992 FULL VALUE FY92 ADM	FULL VALUE	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	
DISTRICT NAME	DETERMINATION	PER ADM	FY94	FY95	FY96	FY97	
SORTED BY DISTRICT NAME							
ADAK	\$0	714.45	\$0	100.0%	99.0%	97.6%	96.2%
ALASKA GATEWAY	\$0	495.45	\$0	100.0%	99.0%	97.6%	96.2%
ALEUTIAN REGION	\$0	28.00	\$0	100.0%	99.0%	97.6%	96.2%
ALEUTIANS EAST	\$86,859,000	370.00	\$234,754	70.0%	65.0%	60.0%	55.0%
ANCHORAGE	\$11,154,498,820	43,168.77	\$258,393	70.0%	65.0%	60.0%	55.0%
ANNETTE ISLANDS	\$0	423.90	\$0	100.0%	99.0%	97.6%	96.2%
BERING STRAIT	\$0	1,433.50	\$0	100.0%	99.0%	97.6%	96.2%
BRISTOL BAY	\$173,673,500	267.15	\$650,097	60.0%	55.0%	50.0%	45.0%
CHATHAM	\$0	376.30	\$0	100.0%	99.0%	97.6%	96.2%
CHUGACH	\$0	128.25	\$0	100.0%	99.0%	97.6%	96.2%
COPPER RIVER	\$0	588.45	\$0	100.0%	99.0%	97.6%	96.2%
CORDOVA	\$151,877,040	478.75	\$317,237	70.0%	65.0%	60.0%	55.0%
CRAIG	\$50,954,200	314.25	\$162,145	85.0%	80.0%	75.0%	70.0%
DELTA/GREELY	\$0	849.70	\$0	100.0%	99.0%	97.6%	96.2%
DILLINGHAM	\$121,235,100	504.10	\$240,498	70.0%	65.0%	60.0%	55.0%
FAIRBANKS	\$3,256,294,590	14,883.20	\$218,790	70.0%	65.0%	60.0%	55.0%
GALENA	\$19,965,100	142.30	\$140,303	85.0%	80.0%	75.0%	70.0%
HAINES	\$122,749,700	447.90	\$274,056	70.0%	65.0%	60.0%	55.0%
HONAH	\$22,813,100	234.95	\$97,098	95.0%	95.0%	95.0%	95.0%
HYDABURG	\$5,736,300	119.00	\$48,204	95.0%	95.0%	95.0%	95.0%
IDITAROD	\$0	388.25	\$0	100.0%	99.0%	97.6%	96.2%
JUNEAU	\$1,566,985,160	5,247.30	\$298,627	70.0%	65.0%	60.0%	55.0%
KAKE	\$16,951,200	185.05	\$91,603	95.0%	95.0%	95.0%	95.0%
KASHUNAMIUT	\$0	191.15	\$0	100.0%	99.0%	97.6%	96.2%
KENAI	\$3,464,822,580	9,449.30	\$366,675	70.0%	65.0%	60.0%	55.0%
KETCHIKAN	\$933,887,400	2,663.50	\$350,624	70.0%	65.0%	60.0%	55.0%
KLAWOCK	\$14,793,800	211.85	\$69,831	95.0%	95.0%	95.0%	95.0%
KODIAK	\$829,302,700	2,534.69	\$327,181	70.0%	65.0%	60.0%	55.0%
KUSPUK	\$0	443.70	\$0	100.0%	99.0%	97.6%	96.2%
LAKE AND PENINSULA	\$63,429,800	446.70	\$153,190	85.0%	80.0%	75.0%	70.0%
LOWER KUSKOKWIM	\$0	2,780.33	\$0	100.0%	99.0%	97.6%	96.2%
LOWER YUKON	\$0	1,364.45	\$0	100.0%	99.0%	97.6%	96.2%
MAT-SU	\$2,020,623,780	10,141.33	\$199,246	85.0%	80.0%	75.0%	70.0%
NENANA	\$15,112,200	189.50	\$79,748	95.0%	95.0%	95.0%	95.0%
NOME	\$126,631,300	776.00	\$163,185	85.0%	80.0%	75.0%	70.0%
NORTH SLOPE	\$12,518,662,310	1,462.45	\$8,560,062	60.0%	55.0%	50.0%	45.0%
NORTHWEST ARCTIC	\$326,931,100	1,643.15	\$198,966	85.0%	80.0%	75.0%	70.0%

Appendix A - Capital Improvement Program Budget Request - January 21, 1993

FY94 FUNDING LEVEL 60 - 100%	1992 FULL VALUE	FY92 ADM	FULL VALUE	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED	PERCENT FUNDED
DISTRICT NAME	DETERMINATION		PER ADM	FY94	FY95	FY96	FY97
SORTED BY DISTRICT NAME							
PELICAN	\$13,922,600	45.90	\$303,325	70.0%	65.0%	60.0%	55.0%
PETERSBURG	\$186,577,700	702.35	\$265,648	70.0%	65.0%	60.0%	55.0%
PRIBILOF	\$0	152.90	\$0	100.0%	99.0%	97.6%	96.2%
RAILBELT - DENALI BOROUGH	\$0	329.60	\$0	95.0%	95.0%	95.0%	95.0%
SITKA	\$517,476,500	1,786.77	\$289,616	70.0%	65.0%	60.0%	55.0%
SKAGWAY	\$76,393,200	145.00	\$526,850	70.0%	65.0%	60.0%	55.0%
SOUTHEAST	\$0	415.80	\$0	100.0%	99.0%	97.6%	96.2%
SOUTHWEST	\$0	472.50	\$0	100.0%	99.0%	97.6%	96.2%
ST. MARY'S	\$4,459,300	105.50	\$42,268	95.0%	95.0%	95.0%	95.0%
TANANA	\$11,245,600	100.00	\$112,456	85.0%	80.0%	75.0%	70.0%
UNALASKA	\$331,802,860	290.00	\$1,144,148	60.0%	55.0%	50.0%	45.0%
VALDEZ	\$1,146,055,810	853.75	\$1,342,379	60.0%	55.0%	50.0%	45.0%
WRANGELL	\$132,997,300	528.75	\$251,532	70.0%	65.0%	60.0%	55.0%
YAKUTAT	\$19,957,200	131.00	\$152,345	85.0%	80.0%	75.0%	70.0%
YUKON FLATS	\$0	377.87	\$0	100.0%	99.0%	97.6%	96.2%
YUKON/KOYUKUK	\$0	549.50	\$0	100.0%	99.0%	97.6%	96.2%
YUPIIT	\$0	360.00	\$0	100.0%	99.0%	97.6%	96.2%
<b>TOTALS / AVERAGE VALUE</b>	<b>\$39,510,677,850</b>	<b>113,434</b>	<b>\$348,313</b>	<b>85.8%</b>	<b>83.0%</b>	<b>79.9%</b>	<b>76.9%</b>
<b>EXCLUDING NORTHSLOPE</b>	<b>\$26,992,015,540</b>	<b>111,972</b>	<b>\$241,061</b>				



