

**HB**

**373**

**SFIN**

**FILE**

*Adopted 3/29/08*

RECEIVED

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3/24/08

**SENATE CS FOR HOUSE BILL NO. 373( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

Offered:  
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to school construction and maintenance grants; extending specified  
2 public school bond debt reimbursement; and providing for an effective date."

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

4 \* Section 1. AS 14.11.008(b) is amended to read:

5 (b) The required participating share for a municipal school district is based on  
6 the district's full value per average daily membership (ADM), which is calculated by  
7 dividing the full and true value of the taxable real and personal property in the district,  
8 calculated as described in AS 14.17.510 by the district ADM as defined in  
9 AS 14.17.990, for the same fiscal year for which the valuation was made. The  
10 municipal district's full value per ADM determines the district's required participating  
11 share, as follows:

Full Value Per ADM	District Participating Share
<u>\$1 - \$150,000</u> [ <del>\$1 - \$100,000</del> ]	5 percent
<u>150,001 - 275,000</u> [ <del>100,001 - 200,000</del> ]	10 percent

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275,001 - 800,000 [200,001 - 600,000] 30 percent  
over 800,000 [OVER 600,000] 35 percent.

\* Sec. 2. AS 14.11.100(7) 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 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) 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

1 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

2 (B) cash payments made after June 30, 1982, and before July 1,  
3 1983, by the municipality during the fiscal year two years earlier to pay costs  
4 of school construction, additions to schools, and major rehabilitation projects  
5 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

19 (5) subject to (h) - (j) of this section, 80 percent of

20 (A) payments made by the municipality during the fiscal year  
21 for the retirement of principal and interest on outstanding bonds, notes, or  
22 other indebtedness authorized by the qualified voters of the municipality

23 (i) after June 30, 1983, but before March 31, 1990, to  
24 pay costs of school construction, additions to schools, and major  
25 rehabilitation projects that exceed \$25,000 and are approved under  
26 AS 14.07.020(a)(11); or

27 (ii) before July 1, 1989, and reauthorized before  
28 November 1, 1989, to pay costs of school construction, additions to  
29 schools, and major rehabilitation projects that exceed \$25,000 and are  
30 approved under AS 14.07.020(a)(11); and

31 (B) cash payments made after June 30, 1983, by the

1 municipality during the fiscal year two years earlier to pay costs of school  
2 construction, additions to schools, and major rehabilitation projects that exceed  
3 \$25,000 and are approved by the department before July 1, 1990, under  
4 AS 14.07.020(a)(11);

5 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments  
6 made by the municipality during the fiscal year for the retirement of principal and  
7 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
8 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay  
9 costs of school construction, additions to schools, and major rehabilitation projects  
10 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

11 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
12 made by the municipality during the fiscal year for the retirement of principal and  
13 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
14 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
15 costs of school construction, additions to schools, and major rehabilitation projects;

16 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
17 projects funded by the bonds, notes, or other indebtedness have been approved by the  
18 commissioner, 70 percent of payments made by the municipality during the fiscal year  
19 for the retirement of principal and interest on outstanding bonds, notes, or other  
20 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
21 1995, but before July 1, 1998, to pay costs of school construction, additions to  
22 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
23 under AS 14.07.020(a)(11);

24 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
25 projects funded by the bonds, notes, or other indebtedness have been approved by the  
26 commissioner, 70 percent of payments made by the municipality during the fiscal year  
27 for the retirement of principal and interest on outstanding bonds, notes, or other  
28 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
29 1998, but before July 1, 2006, to pay costs of school construction, additions to  
30 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
31 under AS 14.07.020(a)(11);

1 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after  
2 projects funded by the bonds, notes, or other indebtedness have been approved by the  
3 commissioner, 70 percent of payments made by the municipality during the fiscal year  
4 for the retirement of principal and interest on outstanding bonds, notes, or other  
5 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
6 1998, to pay costs of school construction, additions to schools, and major  
7 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),  
8 and are not reimbursed under (n) of this section;

9 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
10 funded by the bonds, notes, or other indebtedness have been approved by the  
11 commissioner, 70 percent of payments made by a municipality during the fiscal year  
12 for the retirement of principal and interest on outstanding bonds, notes, or other  
13 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
14 1999, but before January 1, 2005, to pay costs of school construction, additions to  
15 schools, and major rehabilitation projects and education-related facilities that exceed  
16 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
17 or (o) of this section;

18 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
19 of payments made by a municipality during the fiscal year for the retirement of  
20 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
21 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
22 2005, to pay costs of school construction, additions to schools, and major  
23 rehabilitation projects and education-related facilities that exceed \$200,000, are  
24 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
25 section;

26 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after  
27 projects funded by the tax exempt bonds, notes, or other indebtedness have been  
28 approved by the commissioner, 70 percent of payments made by a municipality during  
29 the fiscal year for the retirement of principal and interest on outstanding tax exempt  
30 bonds, notes, or other indebtedness authorized by the qualified voters of the  
31 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of

1 school construction, additions to schools, and major rehabilitation projects and  
2 education-related facilities that exceed \$200,000, are approved under  
3 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

4 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60  
5 percent of payments made by a municipality during the fiscal year for the retirement  
6 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
7 authorized by the qualified voters of the municipality on or after June 30, 1999, but  
8 before October 31, 2006, to pay costs of school construction, additions to schools, and  
9 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
10 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
11 section;

12 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after  
13 projects funded by the bonds, notes, or other indebtedness have been approved by the  
14 commissioner, 90 percent of payments made by a municipality during the fiscal year  
15 for the retirement of principal and interest on outstanding bonds, notes, or other  
16 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
17 1999, but before October 31, 2006, to pay costs of school construction, additions to  
18 schools, and major rehabilitation projects and education-related facilities that exceed  
19 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating  
20 share requirement for a municipal school district under AS 14.11.008(b), and are not  
21 reimbursed under (n) or (o) of this section;

22 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
23 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
24 the commissioner, 70 percent of payments made by a municipality during the fiscal  
25 year for the retirement of principal and interest on outstanding tax exempt bonds,  
26 notes, or other indebtedness authorized by the qualified voters of the municipality on  
27 or after October 1, 2006, but before November 30, 2010 [2008], to pay costs of school  
28 construction, additions to schools, and major rehabilitation projects and education-  
29 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
30 are not reimbursed under (o) of this section;

31 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent

1 of payments made by a municipality during the fiscal year for the retirement of  
2 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
3 authorized by the qualified voters of the municipality on or after October 1, 2006, but  
4 before November 30, 2010 [2008], to pay costs of school construction, additions to  
5 schools, and major rehabilitation projects and education-related facilities that exceed  
6 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o)  
7 of this section.

8 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

Representative Mike Chenault  
Co-Chairman  
(907) 465-3779

Fax: (907) 465-2833

Representative\_Mike\_Chenault@legis.state.ak.us

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145 Main St. Loop #223  
Kenai, Alaska 99611



Representative Kevin Meyer  
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(907) 465-4945

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716 W. 4<sup>th</sup> Avenue  
Anchorage, Alaska 99501

State Capitol, Juneau, Alaska 99801-1182

## Sponsor Statement HB 373

*An Act extending specified public school bond debt reimbursement; and providing for an effective date.*

House Bill 373 extends the sunset of the current school bond debt reimbursement program from November 30, 2008 to November 30, 2010.

Under the existing law, any municipality can ask their electorate to issue bonds to fund the construction of school capital projects. The projects are then submitted to the Department of Education and Early Development (DEED) for review. The projects that meet the State's approved space guidelines are reimbursed at a rate of 70% and those that do not meet the State's guidelines are reimbursed at a rate of 60%.

When the program was previously extended to November 30, 2008, \$222 million in school capital projects were approved by the State for reimbursement.

The State of Alaska's school bond debt reimbursement program is an important partnership between communities and the State, where each shares a portion of the cost of school construction.

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/19/08

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered HOUSE BILL NO. 373

## HB 373 SCHOOL BOND DEBT REIMBURSEMENT

"An Act extending specified public school bond debt reimbursement; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS CS HB 373 (FIN)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

**SENATE BILL:**  
 Same Title  
 New Title

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**HOUSE BILL:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

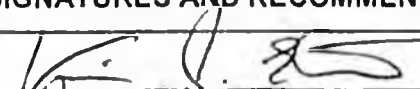
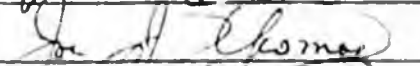
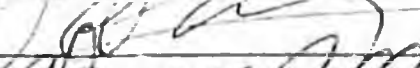
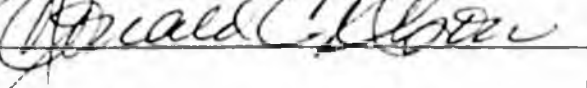

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
EED	2/21/08		✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas	✓			
	Hilgards	✓			
	Olson			✓	
CO-CHAIR:					
CO-CHAIR:		✓			

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 373  
(H) Publish Date: 3/6/08

Identifier (file name) HB 373. HB373-DEED-SDR-02-29-08 Dept. Affected: Education & Early Development  
Title: An Act extending specified public school bond debt reimbursement RDU: School Debt Reimbursement  
School Debt Reimbursement

Sponsor: Finance Committee  
Requester: House HESS Component Number: 153

**Expenditures/Revenues** (Thousands of \$)  
Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Service								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	*	*	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
<b>TOTAL</b>								
Other Interagency Receipts								
<b>TOTAL</b>	*	*	*	*	*	*	*	*

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

This Act extends the period for which reimbursement will be made for specified public school bond debt.

The Department of Education and Early Development is unable to calculate the cost of HB 373 at this time and is, therefore, submitting an indeterminate fiscal note.

Prepared by Eddy Jeans Phone 465-8679  
Division School Finance Date/Time 2/29/08 3:00 PM  
Approved by Barbara Thompson, Interim Commissioner Date 2/29/2008

\* Conceptual amendment on p. 7, line 4, p 6 line 27

25-LS1340E  
Luckhaupt/Mischel  
3/29/08

RD 4-10-09

SENATE CS FOR HOUSE BILL NO. 373(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to school construction and maintenance grants; extending specified  
2 public school bond debt reimbursement; and providing for an effective date."

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

4 \* Section 1. AS 14.11.008(b) is amended to read:

5 (b) The required participating share for a municipal school district is based on  
6 the district's full value per average daily membership (ADM), which is calculated by  
7 dividing the full and true value of the taxable real and personal property in the district,  
8 calculated as described in AS 14.17.510 by the district ADM as defined in  
9 AS 14.17.990, for the same fiscal year for which the valuation was made. The  
10 municipal district's full value per ADM determines the district's required participating  
11 share, as follows:

Full Value Per ADM	District Participating Share
<u>\$1 - \$150,000</u> [ <del>\$1 - \$100,000</del> ]	5 percent
<u>150,001 - 275,000</u> [ <del>100,001 - 200,000</del> ]	10 percent

1                   275,001 - 800,000 [200,001 - 600,000]                   30 percent

2                   over 800,000 [OVER 600,000]                   35 percent.

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

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

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

9                               (2) 90 percent of

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

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

17                               (3) 90 percent of

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

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

26                               (4) subject to (h) and (i) of this section, up to 90 percent of

27                                       (A) payments made by the municipality during the current  
28 fiscal year for the retirement of principal and interest on outstanding bonds,  
29 notes, or other indebtedness incurred after December 31, 1981, and authorized  
30 by the qualified voters of the municipality before July 1, 1983, to pay costs of  
31 school construction, additions to schools, and major rehabilitation projects that

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exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(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 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 subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) 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

(i) 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); or

(ii) 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

1 municipality during the fiscal year two years earlier to pay costs of school  
2 construction, additions to schools, and major rehabilitation projects that exceed  
3 \$25,000 and are approved by the department before July 1, 1990, under  
4 AS 14.07.020(a)(11);

5 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments  
6 made by the municipality during the fiscal year for the retirement of principal and  
7 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
8 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay  
9 costs of school construction, additions to schools, and major rehabilitation projects  
10 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

11 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
12 made by the municipality during the fiscal year for the retirement of principal and  
13 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
14 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
15 costs of school construction, additions to schools, and major rehabilitation projects;

16 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
17 projects funded by the bonds, notes, or other indebtedness have been approved by the  
18 commissioner, 70 percent of payments made by the municipality during the fiscal year  
19 for the retirement of principal and interest on outstanding bonds, notes, or other  
20 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
21 1995, but before July 1, 1998, to pay costs of school construction, additions to  
22 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
23 under AS 14.07.020(a)(11);

24 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
25 projects funded by the bonds, notes, or other indebtedness have been approved by the  
26 commissioner, 70 percent of payments made by the municipality during the fiscal year  
27 for the retirement of principal and interest on outstanding bonds, notes, or other  
28 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
29 1998, but before July 1, 2006, to pay costs of school construction, additions to  
30 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
31 under AS 14.07.020(a)(11);

1 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after  
2 projects funded by the bonds, notes, or other indebtedness have been approved by the  
3 commissioner, 70 percent of payments made by the municipality during the fiscal year  
4 for the retirement of principal and interest on outstanding bonds, notes, or other  
5 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
6 1998, to pay costs of school construction, additions to schools, and major  
7 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),  
8 and are not reimbursed under (n) of this section;

9 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
10 funded by the bonds, notes, or other indebtedness have been approved by the  
11 commissioner, 70 percent of payments made by a municipality during the fiscal year  
12 for the retirement of principal and interest on outstanding bonds, notes, or other  
13 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
14 1999, but before January 1, 2005, to pay costs of school construction, additions to  
15 schools, and major rehabilitation projects and education-related facilities that exceed  
16 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
17 or (o) of this section;

18 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
19 of payments made by a municipality during the fiscal year for the retirement of  
20 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
21 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
22 2005, to pay costs of school construction, additions to schools, and major  
23 rehabilitation projects and education-related facilities that exceed \$200,000, are  
24 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
25 section;

26 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after  
27 projects funded by the tax exempt bonds, notes, or other indebtedness have been  
28 approved by the commissioner, 70 percent of payments made by a municipality during  
29 the fiscal year for the retirement of principal and interest on outstanding tax exempt  
30 bonds, notes, or other indebtedness authorized by the qualified voters of the  
31 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of

1 school construction, additions to schools, and major rehabilitation projects and  
 2 education-related facilities that exceed \$200,000, are approved under  
 3 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

4 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60  
 5 percent of payments made by a municipality during the fiscal year for the retirement  
 6 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
 7 authorized by the qualified voters of the municipality on or after June 30, 1999, but  
 8 before October 31, 2006, to pay costs of school construction, additions to schools, and  
 9 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
 10 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
 11 section;

12 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after  
 13 projects funded by the bonds, notes, or other indebtedness have been approved by the  
 14 commissioner, 90 percent of payments made by a municipality during the fiscal year  
 15 for the retirement of principal and interest on outstanding bonds, notes, or other  
 16 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
 17 1999, but before October 31, 2006, to pay costs of school construction, additions to  
 18 schools, and major rehabilitation projects and education-related facilities that exceed  
 19 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating  
 20 share requirement for a municipal school district under AS 14.11.008(b), and are not  
 21 reimbursed under (n) or (o) of this section;

22 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
 23 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
 24 the commissioner, 70 percent of payments made by a municipality during the fiscal  
 25 year for the retirement of principal and interest on outstanding tax exempt bonds,  
 26 notes, or other indebtedness authorized by the qualified voters of the municipality on  
 27 or after October 1, 2006, but before November 30, 2009 [2008], to pay costs of school  
 28 construction, additions to schools, and major rehabilitation projects and education-  
 29 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and  
 30 are not reimbursed under (o) of this section;

31 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent

1 of payments made by a municipality during the fiscal year for the retirement of  
2 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
3 authorized by the qualified voters of the municipality on or after October 1, 2006, but  
4 before November 30, ~~2009~~<sup>2010</sup> [2008], to pay costs of school construction, additions to  
5 schools, and major rehabilitation projects and education-related facilities that exceed  
6 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o)  
7 of this section.

8 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: Senate CS HB 373(FIN)  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): HB373-CS-EED-SF-03-31-08 Dept. Affected: Education & Early Development  
Title An Act relating to school construction and maintenance grants; extending... RDU Education Support Services  
School Finance & Facilities  
Sponsor House Finance Committee  
Requester Senate Finance Committee Component Number 2737

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	2,587.4	*	*	*	*	*	*
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>2,587.4</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>	2,587.4						
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF	2,587.4	*	*	*	*	*
1005 GF/Program Receipts						
<b>TOTAL</b>	<b>2,587.4</b>	*	*	*	*	*
Other Interagency Receipts						

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This fiscal note is for section 1 of Senate CS HB373(FIN). Section 1 amends AS 14.11.008(b), the participating share table for local school districts under the school construction and major maintenance grant programs.

This fiscal note is based on the first 21 major maintenance projects recommended for funding in SB 221.

Prepared by Eddy Johns, Director  
Division School Finance  
Approved by Barbara Thompson, Interim Commissioner

Phone 465-8679  
Date/Time 3/31/08 12:00 AM  
Date 3/31/2008



# *Kodiak Island Borough*

*Office of the Mayor*

710 Mill Bay Road

Kodiak, Alaska 99615

Phone (907) 486-9310 Fax (907) 486-9391

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March 3, 2008

Senator Gary Stevens  
State Capitol, Room 103  
Juneau, AK 99801

Dear Senator Stevens:

On behalf of the Kodiak Island Borough Assembly, I am writing to urge you to support House Bill No. 373, an act extending specified public school bond debt reimbursement; and providing for an effective date.

As you know, this bill would not only allow the Kodiak Island Borough to pay costs of any new school construction projects, but also gives opportunity to supplement funding for the bonds that were approved a few years back that have experienced higher construction costs due to inflation, higher costs of supplies, and labor.

Extending the sunset for school debt reimbursement until November 30, 2010, will give additional opportunity to survey the needed improvements necessary for the school district facilities.

Thank you for your support.

Sincerely,

OFFICE OF THE BOROUGH MAYOR

A handwritten signature in black ink, appearing to read "Jerome M. Selby". The signature is written in a cursive style with a long horizontal line extending from the start of the name.

Jerome M. Selby  
Borough Mayor

Cc: House Finance Committee  
Governor Sarah Palin

Co-Chairs Chenault & Meyer, and Members of the Finance committee:

I am writing to urge you to support HB 373 which extends the current debt reimbursement law for another two years. This bill is scheduled to come before your committee on Wednesday.

Anchorage and other school districts across Alaska depend on bonded debt for school construction and other capital renewal projects. Extending this program will allow the Anchorage School District to continue the renewal of our older schools. Having the state share in the cost of these projects through debt reimbursement facilitates equity across the state since those areas with a tax base generally do not qualify for direct capital grants.

If you have any questions, please feel free to contact me.

Jeff Friedman  
Anchorage School Board Member  
1534 D Street  
Anchorage, AK 99501  
907-742-4699 (home)  
[Friedman\\_Jeff@asdk12.org](mailto:Friedman_Jeff@asdk12.org)

3/4/08

Legislators:

On behalf of the Anchorage School District, I want to urge your support for HB 373, the extension of the current debt reimbursement legislation. This is a critical piece of legislation for those municipalities and communities who depend on bonding for school renovations, building renewal, and new schools where needed. Your strong support over the past decade and a half has truly benefited our community and our students and staff over the years. Providing facilities which support current learning standards and technology is essential for our 21<sup>st</sup> century learners. Our taxpayers depend on this debt reimbursement as a way to offset their property taxes as our assessed valuation continues to increase. Maintaining and upgrading our buildings is critical for our community.

Thank you very much for your consideration and support of HB 373.

Carol Comeau  
ASD Superintendent

3/4/08

**State of Alaska**  
**Department of Education and Early Development**  
**Capital Improvement Projects**  
**HB13 Debt Reimbursement Program - Effective 10/1/06 - 11/30/08**

<i>District</i>	<i>Project Number</i>	<i>Project Title</i>	<i>Dept Approval</i>	<i>Req Amt</i>	<i>Voter Amt</i>	<i>EED Approved Amt</i>	<i>Rate</i>	<i>EED Approved</i>	<i>Voter Approved</i>	<i>Comments</i>
<b>Anchorage</b>										
		Roof Replacement-9 Schools	1/17/2008	\$950,000	\$0	\$950,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Traffic Safety-2 Schools	1/17/2008	\$600,000	\$0	\$600,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Building Renewal-7 Schools	1/17/2008	\$1,240,000	\$0	\$1,240,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Sand Lake Addition and Renewal	1/17/2008	\$17,500,000	\$0	\$17,500,000	60%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Mechanical Upgrades-5 Schools	1/17/2008	\$1,950,000	\$0	\$1,950,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Girdwood K-8 School Design	1/17/2008	\$300,000	\$0	\$300,000	60%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Emergency Communications Systems-3 Schools	1/17/2008	\$480,000	\$0	\$480,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

<i>District</i>	<i>Project Number</i>	<i>Project Title</i>	<i>Dept Approval</i>	<i>Req Amt</i>	<i>Voter Amt</i>	<i>EED Approved Amt</i>	<i>Rate</i>	<i>EED Approved</i>	<i>Voter Approved</i>	<i>Comments</i>
		Electrical Upgrades-9 Schools	1/17/2008	\$1,475,000	\$0	\$1,475,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Code Hazmat-2 Schools	1/17/2008	\$465,000	\$0	\$465,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Chester Valley Addition and Renewal	1/17/2008	\$16,500,000	\$0	\$16,500,000	60%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Track Improvements-3 Schools	1/17/2008	\$2,250,000	\$0	\$2,250,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
DR-07-110		Clark Middle School Replacement	2/6/2007	\$65,000,000	\$65,000,000	\$65,000,000	60%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Anchorage projects voter approved April 3, 2007
DR-07-111		Districtwide Code/Hazardous Materials/ADA Projects	2/6/2007	\$1,265,000	\$1,265,000	\$1,265,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
DR-07-112		Districtwide Roof Replacement and Repairs	2/6/2007	\$1,950,000	\$1,950,000	\$1,950,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
DR-07-113		Districtwide Security System Upgrades	2/6/2007	\$890,000	\$890,000	\$890,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
DR-07-114		Emergency Communication Systems-2 High Schools	2/6/2007	\$650,000	\$650,000	\$650,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
DR-07-115		Districtwide Building Renewal Projects	2/6/2007	\$4,110,000	\$4,110,000	\$4,110,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Approved Amt	Rate	EED Approved	Voter Approved	Comments
	DR-07-116	Districtwide Electrical Projects	2/6/2007	\$2,190,000	\$2,190,000	\$2,190,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	DR-07-117	Districtwide Mechanical Projects	2/6/2007	\$5,845,000	\$5,845,000	\$5,845,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	DR-07-118	Traffic Safety Upgrades, 3 Elementary Schools	2/6/2007	\$3,100,000	\$3,100,000	\$3,100,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Anchorage Totals:</b>				<b>\$128,710,000</b>	<b>\$85,000,000</b>	<b>\$128,710,000</b>				
<b>Dillingham City</b>										
	DR-08-101	Dillingham Elementary/Middle/High School Addition/Upgrade	8/28/2007	\$1,257,551	\$1,257,551	\$1,257,551	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	DR-08-101	Dillingham Elementary/Middle/High School Upgrade	8/28/2007	\$14,433,697	\$13,843,697	\$13,843,697	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	One project agreement
<b>Dillingham City Totals:</b>				<b>\$15,691,248</b>	<b>\$15,101,248</b>	<b>\$15,101,248</b>				
<b>Fairbanks</b>										
	DR-07-104	Barnette Elementary Renovation, Phase 2	11/17/2006	\$6,591,000	\$6,591,000	\$6,591,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	DR-07-105	Ryan Middle School Renovation, Phase 1	11/17/2006	\$1,800,000	\$1,800,000	\$1,800,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Approved Amt	Rate	EED Approved	Voter Approved	Comments
<b>Fairbanks</b>				<b>\$8,391,000</b>	<b>\$8,391,000</b>	<b>\$8,391,000</b>				
<b>Totals:</b>										
<b>Juneau City Borough</b>										
		Thunder Mountain High School Pool	6/26/2007	\$19,800,000	\$19,800,000	\$8,650,853	60%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	DR-03-125	New Juneau High School, Amendment #2	3/30/2007	\$17,100,000	\$17,100,000	\$17,100,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Amendment #2
	DR-06-111	Glacier Valley Elementary Renovation	9/14/2007	\$7,100,000	\$7,100,000	\$7,100,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Amends DR-06-111
	DR-08-100	Harborview Elementary Renovation	9/14/2007	\$15,300,000	\$15,300,000	\$15,300,000	70%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Juneau City Borough</b>				<b>\$59,300,000</b>	<b>\$59,300,000</b>	<b>\$48,150,853</b>				
<b>Totals:</b>										
<b>Ketchikan</b>										
		Schoenbar Middle School Repair/Remediation	8/18/2006	\$8,706,000	\$0	\$8,706,000	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did not receive voter approval
<b>Ketchikan</b>				<b>\$8,706,000</b>	<b>\$0</b>	<b>\$8,706,000</b>				
<b>Totals:</b>										
<b>Kodiak Island</b>										

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Approved Amt	Rate	EED Approved	Voter Approved	Comments
	DR-05-110	New Kodiak MS/HS Pool	1/22/2007	\$8,000,000	\$8,000,000	\$8,000,000	60%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Amends previous amount for a total project of \$14,210,000
<b>Kodiak Island Totals:</b>				<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>				
<b>Unalaska City</b>										
		Unalaska Jr./Sr. High School Roof Replacement	8/24/2007	\$2,400,000	\$0	\$3,198,515	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Unalaska Jr./Sr. High School Carpet/Flooring Replacement	8/24/2007	\$600,000	\$0	\$766,704	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
		Unalaska Jr./Sr. High School Kitchen/Energy/Technology Upgrades	8/24/2007	\$1,000,000	\$0	\$1,182,714	70%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<b>Unalaska City Totals:</b>				<b>\$4,000,000</b>	<b>\$0</b>	<b>\$5,147,933</b>				
<b>Grand Totals:</b>				<b>\$232,798,248</b>	<b>\$175,792,248</b>	<b>\$222,207,034</b>				

Total of Projects Both Voter and EED Approved: \$164,643,101  
 (This is a total of the EED Approved Amount.)