

SB

237

Senator Lyman Hoffman

Alaska State Legislature



Sponsor Statement for SB 237

This proposed legislation addresses the way in which Alaska funds school construction for both REAA's and Municipal districts.

In 2001, Alaska courts ruled in *Kasayulie vs. State of Alaska* that the process by which REAA schools are funded in Alaska is significantly different than the process used for funding schools in municipal districts. The court further said that, as a result of this difference, funding for REAA schools has been arbitrary and inadequate.

While municipal districts are able to access the debt service program which is described in statute, the funding for REAA school construction has not been clear. Because funding depends upon legislative appropriation, there is uncertainty from year to year as to how much money will be available. This uncertainty makes construction planning difficult for both the REAA school districts and the Department of Education.

This legislation proposes to remedy this situation by creating a stream of funding that can be used for REAA construction. This funding is based on the amount of debt outstanding for municipal schools, adjusted by the amount of money spent on REAA schools and by the percent of students who attend these schools. This methodology provides a reasonable, consistent level of funding to be used for REAA school construction and moves the State along the road to addressing concerns raised in the *Kasayulie* case.

Additionally, the legislation provides that a fund be established into which the proceeds from this mechanism can be deposited. However, to assure that excess dollars cannot accumulate in this account, the balance of the fund is limited to \$100,000,000. Also, the legislation assumes that a project must meet all current Department of Education approvals before becoming eligible to use money from this account.

This legislation also changes the State's debt reimbursement program for municipal school construction. Current law establishes the debt reimbursement to municipal districts for outstanding bonds at 70 percent and time limits for that reimbursement. Consequently, every few years, the statute needs amending to continue the program. This creates uncertainty among school district planners. The committee substitute lessens uncertainty by eliminating a date certain when the 70 percent reimbursement will sunset.

Position Statement 09-5

**Funding Bond Debt Reimbursement and the
Capital Improvement Program**

The Alaska Council of School Administrators supports the continuation of the current level of 60% and 70% debt reimbursement of voter-approved bonds, and supports the development of a process to equitably address the need of school districts unable to bond locally.

- A reduction in the payment schedule from the State of Alaska will adversely affect budgets and promises made to taxpayers at an extremely challenging economic time.
- The planning of construction projects and major maintenance efforts were carefully considered with anticipated budget information secured from a variety of sources, including the State of Alaska.
- The public was informed that local and statewide bond efforts would receive state repayment support.

Adopted by the Alaska Council of School Administrators
October and December 2009

Position Statement 09-14

DEED Audit of All Alaskan School Buildings

The Alaska Council of School Administrators urges the Legislature to fund a statewide audit of all school facilities to accurately assess which school buildings must be replaced or renovated in three, five and ten years.

- A building audit would provide the Legislature and Governor with accurate data on the state of school buildings throughout Alaska, including anticipated and immediate needs.
- The audit should focus on the expectation that all school facilities in Alaska are maximally energy-efficient and provide safe, healthy learning environments.

Adopted by the Alaska Council of School Administrators (AASA, AAESP and AASSP) October 2009

State of Alaska
Department of Education and Early Development
Capital Improvement Projects (FY 2011)
School Construction Grant Fund (Top 11 Projects)

Reconsideration List

Summary with Student Capacity Data

Reconsideration Priority	Initial Priority	District	Project Name	Year Constructed	School Student Capacity	Current ADM	Number of Students*	District Request	Eligible Amount	Department Recommended	District Share	State Share
1	1	Lower Yukon	Aktanuk K-12 School Replacement	1974/2003	111	239	300	\$47,394,170	\$47,394,170	\$47,394,170	\$947,863	\$46,446,287
2	2	Lower Kuskotwim	Kipruk K-12 School Renovation / Addition	1990	70	209	241	\$56,344,082	\$50,841,480	\$50,841,480	\$1,016,830	\$49,824,650
3	3	Lower Kuskotwim	Kwigillingok K-12 School Renovation / Addition	1979/1987	55	114	124	\$39,128,740	\$32,750,487	\$32,750,487	\$655,009	\$32,095,458
4	4	Lower Kuskotwim	Napaskiak K-12 School Replacement [#]	1973/1978/1984	77	161	206	\$40,821,255	\$33,586,431	\$33,586,431	\$671,729	\$32,914,702
5	5	Lower Yukon	Emmonak K-12 School Renovation/Addition	1993/1975	143	231	231	\$28,898,799	\$39,990,445	\$39,990,445	\$799,809	\$39,190,636
6	6	Lower Kuskotwim	Kunerramat Ekinaurvik K-12 School Renovation/Addition, Quinhagak [#]	1981/1986	90	212	258	\$31,160,414	\$31,160,414	\$31,160,414	\$623,208	\$30,537,206
7	7	Northwest Arctic	Kivalina K-12 Renovation/Addition [#]	1976/1984	75	107	109	\$15,414,491	\$15,414,491	\$15,414,491	\$4,624,347	\$10,790,144
8	8	Lower Kuskotwim	Kweshuk K-12 School Replacement	1981/1986	143	250	263	\$60,469,918	\$45,445,163	\$45,445,163	\$908,903	\$44,536,260
9	9	Southwest Region	Koliganek K-12 School Replacement ^{*,#}	1959/1979/1981	75	51	51	\$26,311,134	\$22,902,662	\$22,902,662	\$458,053	\$22,444,609
10	10	Lower Kuskotwim	Nightmute K-12 School Renovation / Addition	1980/1984	53	92	132	\$33,913,215	\$23,770,075	\$23,770,075	\$475,401	\$23,294,674
11	11	Kuspuk	Auntie Mary Nichol Elementary School Replacement, Aniak ^{*,#}	1930/1955/ 1979/1973/1993	111	63	64	\$12,363,060	\$12,363,060	\$12,363,060	\$247,261	\$12,115,799
Totals for top 11 projects on the FY2011 School Construction CIP List								\$392,339,278	\$355,618,858	\$355,618,858	\$11,428,433	\$344,190,425
Totals for all 35 projects on the FY2011 School Construction CIP List								\$475,961,552	\$437,939,547	\$437,939,547	\$26,296,398	\$411,643,149

* Projected at 5 year Post Occupancy

Reused FY2010 data

+ Eligible Space Reduced

Kivalina K-12 Renovation/Addition adds 9,100 square feet of new space in order to address moderate overcrowding. The school has also demonstrated significant life/safety and health issues including no fire protection, no sewage lagoon for waste discharge (waste is discharged directly into the surf adjacent to the school), a leaking roof with suspected structural damage and/or rot. All plumbing and mechanical systems have exceeded their useful life and are in need of replacement, and the interior finishes are significantly aged and worn and in need of replacement. The Corps of Engineers is currently working on a shoreline protection project that is designed to protect the school property from additional erosion for the next 15-20 years. The district considered relocation, but due to land constraints in the village, there are no other locations available that could reasonably accommodate a new school facility.

Koliganek K-12 School Replacement does not add space due to overcrowding, but has demonstrated significant life/safety and health issues including no fire protection, moisture infiltration, a leaking roof that continues to leak despite repeated repairs, differential foundation movements due to several different years of construction, mechanical and electrical systems that no longer meet functional or code requirements, and environmental health issues including lead and asbestos.

Auntie Mary Nichol Elementary School Replacement, Aniak does not add space due to overcrowding, but has demonstrated significant life/safety and health issues including a deteriorating foundation and differential settling, moisture and mold infiltration, a sewage lift station in the basement beneath the food preparation area and which floods often and contains no

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT

WILLIE & SOPHIE KASAYULIE,)
et al.,)
)
Plaintiff,)
)
vs.)
)
STATE OF ALASKA,)
)
Defendant.)

FILED
In chambers of
Superior Court
Judge John Reese

MAR 27 2001

State of Alaska
Third Judicial District
at ANCHORAGE

Case No. 3AN-97-03782 CIV

ORDER

The state has moved to reopen the rural school facilities funding order of this court, citing a "mistake of law" made in its prior briefing. Specifically, the state argues that its prior briefing did not present the court with information about prior appropriations made for rural school construction and maintenance.

The court has carefully reviewed the supplemental briefing and the exhibits. They show that the State of Alaska has failed to fund the C.I.P. program, to follow the legally established funding priorities in the projects it did fund, or to allocate available school facility construction and maintenance funds in a non discriminatory way. The prior findings of this court are well supported in the record, and reinforced by the new filings.

Procedure.

The States motion is a Civii R. 60(b) motion premised on a "mistake of law". The State's failure to present a more detailed funding history certainly is not a mistake of law, nor in the final analysis was it a mistake in tactics.

However, the gravity of the issues involved requires that the litigants have every opportunity to fully air their claims and defenses, even if it appears superficially to excuse tactical decisions or legal mistakes. The rules of procedure are designed to do justice, and justice requires the State to be allowed a reasonable opportunity to test a new defense, to use

different counsel, and perhaps even to craft its litigation strategy in a way to satisfy political pressures. Civ R.94 will be applied to relax the application of Rule 60(b) and Civ.R. 77 (1), and to allow the State its second bite at the apple.

Analysis:

The fundamental facts presented in the new briefing are how much money the State spent over the last 20 years or so on rural school facility funding. The State argues that since it spent hundreds of millions of dollars on rural school facilities, this courts findings of equal protection and civil rights violations was incorrect.

What this court found was that the systems for school facility funding, the C.I.P. for rural schools and the bond reimbursement program for districts with a tax base, have not been applied in a sufficiently even handed way to avoid constitutional and federal civil rights condemnation.

The C.I.P. program was established in 1990. Rural school per capita capital expenditures for FY 91, 92, 93 and 94, were roughly equal to the bond reimbursed urban expenditures, even though rural construction and maintenance costs exceed urban by a very large factor. In the six fiscal years prior to this court's order, the legislature chose to fund rural school construction at \$30 or less per student four times, and at zero twice:

Fiscal Yr.	C.I.P.	Urban
95	-0-	869
96	30	724
97	389	627
98	24	581
99	1998	1009
00	-0-	556

After this court's order, the 2000-2001 fiscal year per capita funding for rural schools jumped to \$6,200 versus \$476 for urban schools. The State's brief claims this change was a result of the court's order, pressure from the governor, and the good faith of the legislature.

The court has no reason to doubt this, but there remains the flawed dual funding system that allowed the prior problems. The urban districts get 70% of their funding for schools reimbursed by the State. The rural districts get whatever the legislature chooses to give them.

The bond reimbursement program is automatic. The rural funding is political, and has been arbitrary, inadequate and racially discriminatory. Education health and safety of our youth have suffered. The dignity of our fellow citizens has suffered. The respect for public officials has suffered. The racial divisions in our state are further aggravated.

The media has reported legislators' comments on this issue: "It is cheaper to build a school in Homer than the bush", "There is only so much money to go around." These are absolutely true statements, of course - but they illustrate the fundamental legislative mistakes: We are constitutionally required to provide education on a substantially equal basis to all children, including rural mostly Native children, even if it costs more in the rural areas. As we spend the money available, we cannot spend it on urban, mostly non Native children first, and then say there is not enough to go around.

The present dual funding system is constitutionally flawed in form, and application.

Civ.R. 54(b).

Plaintiffs ask the court to enter a final order, and to require specific funding to correct the prior errors of the legislature. This court does have the power to require remedial action, within the limitations of separation of power, but would do so only with great reluctance.

The spending of the wealth of Alaska is for the legislature to manage, within the constitutional and federal limits. Legislation takes time, and school funding is expensive and complex. This court is not prepared to say the legislature will not, within a reasonable time, create a constitutionally proper system of funding, nor is this court prepared at this time to say the legislature will not, in the mean time, provide adequate remedial and ongoing capital funding for rural schools, in light of the FY 01 appropriation.¹

¹ This court is, however, concerned that the priorities established through the legislatively mandated process have not been followed even in the FY 01 funding. Urban school districts choose their capital plans, and the reimbursement law carries it out. The priority setting by the Department of Education is a surrogate for the rural districts choices. There is no inherent problem with this representative arrangement, but if the priorities are ignored, it leaves the rural districts, and the parents and children they represent, "out of the loop," effectively

What the legislature creates, and what is developed in the other parts of this litigation, will result in a comprehensive resolution. It should be done together, and therefore a Civ- R. 54 (b) partial final judgment will not be entered at this time. However, should progress be thwarted, or the good faith efforts of the players be successfully challenged, specific orders will be issued.

DATED this 27th day of March, 2001, at Anchorage, Alaska.



John Reese
Superior Court Judge

I certify that on 03-27-01
a copy of the above was mailed to
each of the following at their
addresses of record:

H. Trickey, C, Middleton.
B. Bjorkquist, AGO

Marie Suazo *mo.*
Secretary

disenfranchised. Considering the impermissible racial impact of the prior funding choices made by the legislature, to deprive the rural children of even the indirect voice of the priority list seems to be treading on pretty thin legal ice. Endorsement of the priorities would seem to be a much better policy.

Alaska Department of Education and Early Development
 School Construction and Major Maintenance funding last 20 years
 Grants and Debt Reimbursement funded projects
 Prepared 3/29/10

REAA			City/Borough	
Year	Funding	# of projects	Funding	# of projects
1990	\$4,115,500	16	\$5,331,154	22
1991	\$17,590,300	13	\$268,000	1
1992	\$17,594,700	17	\$16,151,500	7
1993	\$14,770,400	7	\$52,815,700	8
1994	\$38,829,471	35	\$154,832,003	65
1995	\$0	0	\$158,935,000	17
Subtotal 1990-1995	\$92,900,371	88	\$388,333,357	120
1996	\$400,000	2	\$10,641,550	3
1997	\$5,322,300	3	\$66,294,985	16
1998	\$336,720	1	\$4,335,864	4
1999	\$27,962,208	27	\$338,292,184	71
2000	\$0	0	\$10,250,000	1
Subtotal 1996-2000	\$34,021,228	33	\$429,814,583	95
10yr Sub-total	\$126,921,599	13.43%	\$818,147,940	86.57%
2001	\$88,725,178	5	\$86,599,657	33
2002	\$75,824,359	28	\$114,686,707	36
2003	\$140,182,852	32	\$427,372,247	49
2004	\$814,738	3	\$117,978,054	46
2005	\$5,839,787	11	\$162,541,971	18
Subtotal 2000-2005	\$311,386,914	79	\$909,178,636	182
2006	\$67,494,522	22	\$78,422,984	21
2007	\$82,268,165	21	\$146,242,068	23
2008	\$127,180,513	13	\$124,868,261	20
2009	\$139,127,653	12	\$83,397,904	22
2010	\$20,918,597	8	\$40,374,884	17
Subtotal 2005-2010	\$436,989,450	76	\$473,306,101	103
10yr Sub-total	\$748,376,364	35.12%	\$1,382,484,737	64.88%
Total REAA	\$875,297,963	276	Total City/Borough	\$2,200,632,677
				500

SB 237 Funding Formula =**Outstanding debt x proxy % .28 x % of REAA students.**

REAA School Construction - past	
10 years: 2001-2010	\$ 543,645,894
FY11 REAA Projects	\$ 344,190,425
Total REAA Funding - incl FY11	\$ 887,836,319

Outstanding School Constr. Debt	\$ 1,230,933,627
Less Total REAA Funding	\$ (887,836,319)
Funding Differential	\$ 343,097,308
differential % municipal vs REAA	27.87%

Based on FY09

Average Daily Student Count Total	128,380	baed on FY09
Average Daily Student Count REAA	14,208	
% of REAA students	11%	

SB 237 Formula =

Outstanding Debt (variable)	\$ 1,230,933,627
x differnetial % 'proxy' (constant)	28.00%
x % of REAA students (variable)	11%
	\$ 37,912,755.71

Submitted by JAY Lively

OFFICE OF SEN. LYMAN HOFFMAN

4-7-2010

AMENDMENT #1

by Thomas

OFFERED IN THE HOUSE
TO: CSSB 237(FIN)

- 1 Page 1, line 2, following "areas":
- 2 Insert **"and city school districts in the unorganized borough"**
- 3
- 4 Page 2, lines 7 - 8:
- 5 Delete **"regional educational attendance areas"**
- 6 Insert **"the unorganized borough"**
- 7
- 8 Page 2, line 10:
- 9 Delete "that is a regional educational attendance area"
- 10 Insert "in the unorganized borough"
- 11
- 12 Page 2, line 12, following "AS 14.11.005 - 14.11.020":
- 13 Insert **"and for which sufficient bond funding is unavailable"**
- 14
- 15 Page 2, following line 17:
- 16 Insert a new subsection to read:
- 17 "(c) The department shall determine for each school district that is in the
- 18 unorganized borough whether the district has the bonding capacity necessary to
- 19 finance construction of a project approved under AS 14.11.005 - 14.11.020. If the
- 20 department determines that sufficient bond funding is unavailable to the district, the
- 21 project may receive a grant under this section."
- 22
- 23 Page 2, line 18:

- 1 Delete "Regional educational attendance area school fund"
- 2 Insert "Fund for school construction in the unorganized borough"
- 3
- 4 Page 2, line 19:
 - 5 Delete "regional educational attendance area school fund"
 - 6 Insert "fund for school construction in the unorganized borough"
 - 7
- 8 Page 2, lines 21 - 22:
 - 9 Delete "regional educational attendance areas"
 - 10 Insert "the unorganized borough"
 - 11
- 12 Page 2, line 25:
 - 13 Delete "\$100,000,000"
 - 14 Insert "\$120,000,000"

**Alaska Department of Education and Early Development
Capital Improvement Projects (FY2011)
School Construction Grant Fund
Total Points - Objective and Subjective
Final List**

Pr. #	School District	Project Name	School Dist Rank	Weight Avg Age	Prev. 14.51 Fund	Plan and Design	Avg Expend Main	Un-Housed Today	Un-housed 7 Years	Type of Space	Survey and Apprai	Maint Labor	Maint Type	Maint Mgt	Energy Mgt	Code Perm	Maint Train	Capital Plan	Emergency	Adeq Doc	Lib/Safety and Code Conditions	Enroll-ing Space	Cost Estimate	Proj vs Oper Cost	Alter-natives	Op-tions	Total Points
1	Lower Yukon	Alakanuk K-12 School Replacement	30.00	16.67	0.00	20.00	2.20	38.74	30.00	23.30	10.00	15.00	10.00	3.67	3.33	3.33	3.33	4.33	0.00	25.00	21.00	25.33	21.33	12.00	4.67	16.67	339.82
2	Lower Kuskokwam	Kipruk K-12 School Renovation / Addition	30.00	4.64	0.00	20.00	3.71	50.00	30.00	24.38	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	23.67	15.33	30.00	18.67	7.00	4.33	15.67	336.40
3	Lower Kuskokwam	Kwiglingok K-12 School Renovation / Addition	27.00	9.34	0.00	20.00	3.71	33.97	25.09	23.42	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	23.67	17.33	21.67	20.00	7.00	4.33	18.00	312.53
4	Lower Kuskokwam	Nepeskiak K-12 School Replacement	24.00	9.32	0.00	10.00	3.71	36.21	30.00	23.99	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	21.33	9.67	22.33	18.67	3.00	4.33	18.33	292.90
5	Lower Yukon	Emmonak K-12 School Renovation/Addition	27.00	8.15	0.00	20.00	2.20	20.60	12.36	25.66	10.00	15.00	10.00	3.67	3.33	3.00	3.33	4.33	0.00	23.33	20.00	16.33	18.00	10.67	4.67	17.33	278.97
6	Lower Kuskokwam	Kunerramiut Eitinaurnat K-12 School Renovation/Addition, Quinhagak	3.00	8.63	0.00	10.00	3.87	38.09	30.00	22.69	10.00	15.00	10.00	5.00	4.67	3.67	4.00	4.67	0.00	20.67	13.67	23.67	18.67	6.00	4.00	16.00	275.95
7	Northwest Arctic	Kivalina K-12 Renovation/Addition	30.00	14.68	0.00	20.00	4.40	14.42	9.20	22.13	10.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	20.67	18.33	13.67	18.00	9.33	3.33	10.67	262.82
8	Lower Kuskokwam	Kwethluk K-12 School Replacement	21.00	8.22	0.00	10.00	3.71	24.73	20.86	22.53	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	17.67	15.00	20.67	16.67	3.33	4.33	14.33	281.08
9	Southwest Region	Koliganek K-12 School Replacement	30.00	29.69	0.00	20.00	2.39	0.00	0.00	24.03	10.00	15.00	10.00	4.33	4.33	4.67	4.33	3.67	0.00	24.00	19.00	6.00	19.33	5.67	2.67	20.67	259.79
10	Lower Kuskokwam	Nightmute K-12 School Renovation / Addition	6.00	3.98	0.00	10.00	3.71	24.73	29.87	23.39	10.00	15.00	10.00	5.00	5.00	4.00	4.67	4.33	0.00	17.33	12.33	23.33	17.00	4.67	4.33	13.67	252.36
11	Kuspuk	Auntie Mary Nicolli Elementary School Replacement, Aniak	30.00	30.00	0.00	0.00	4.23	0.00	0.00	24.19	0.00	10.00	10.00	2.33	2.33	2.00	2.67	2.00	6.67	11.67	17.67	14.67	9.00	9.00	3.00	9.67	201.09
12	Northwest Arctic	Districtwide Clock Upgrade	27.00	1.18	0.00	30.00	4.40	0.00	0.00	0.00	5.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	17.00	1.67	3.67	22.00	23.33	3.67	10.33	193.25
13	Craig City	Craig Schools Alternative Wood Heat Project, Recovery Of Funds	30.00	11.57	0.00	30.00	1.85	0.00	0.00	0.00	0.00	15.00	10.00	2.67	2.67	2.67	2.00	2.00	0.00	20.67	0.00	0.33	21.67	24.00	3.00	11.33	191.42
14	Lake & Peninsula	Port Alsworth Classroom Addition	30.00	6.04	0.00	0.00	2.70	8.21	25.62	29.07	0.00	15.00	0.00	3.67	3.33	2.33	3.00	3.33	0.00	13.00	3.00	19.67	12.67	2.33	1.67	6.00	190.65
15	Galena	Galena Regional Learning Center Iditarod Classroom Conversion	27.00	6.50	0.00	20.00	5.00	0.00	0.00	21.29	10.00	15.00	10.00	2.67	4.67	3.67	2.33	2.33	0.00	15.67	9.67	4.67	17.33	1.33	3.33	7.00	189.46
16	Kuspuk	Johnie John Sr. K-12 Replacement School, Crooked Creek	27.00	11.00	0.00	0.00	4.23	4.88	7.15	26.39	0.00	10.00	10.00	2.33	2.33	2.00	2.67	2.00	5.33	10.67	8.67	13.33	12.67	6.67	2.67	9.33	181.33
17	Northwest Arctic	Buckland Heating System Improvements	24.00	1.60	0.00	10.00	4.40	0.00	0.00	0.00	10.00	15.00	10.00	3.33	4.67	3.33	3.33	4.33	0.00	17.33	3.00	1.67	15.33	21.67	2.00	11.33	166.33
18	Anchorage	Mears Middle School & Huffman Elementary Paving and Site Circulation	21.00	10.58	0.00	20.00	4.65	0.00	0.00	0.00	5.00	15.00	10.00	5.00	5.00	4.33	4.67	4.67	0.00	21.00	3.67	2.00	15.33	1.33	2.00	10.67	165.90
19	Saint Marys	Playground Equipment Replacement	21.00	21.25	0.00	0.00	1.23	0.00	0.00	0.00	10.00	15.00	10.00	4.00	3.67	3.00	3.00	3.67	0.00	14.00	6.67	1.67	14.33	1.33	4.00	10.00	147.82

**Alaska Department of Education and Early Development
Capital Improvement Projects (FY2011)
School Construction Grant Fund
Total Points - Objective and Subjective
Final List**

Prj #	School District	Project Name	School Dist Rent	Weight Avg Age	Prev. 14.11 Fund	Plan and Design	Avg Expend Main	Un-Housed Today	Un-housed 7 Years	Type of Space	Survey and Appraisal	Maint Labor	Maint Type	Maint Mgt	Energy Mgt	Cons Pgm	Maint Train	Capital Plan	Emergency	Adeq Doc	Life/Safety and Code Conditions	Existing Space	Cost Estimate	Proje Oper Cost	Alter-natives	Op-tions	Total Points
20	Mat-Su Borough	Iditarod Elementary School Interior Renovation	9.00	6.81	0.00	0.00	2.45	0.00	7.32	24.14	0.00	15.00	10.00	4.33	5.00	3.00	3.33	4.33	0.00	12.33	8.33	8.00	13.00	1.00	1.67	8.67	147.72
21	Southeast Island	Kassan K-12 Covered Physical Education Area	15.00	11.02	0.00	0.00	2.57	0.00	0.00	15.00	5.00	15.00	10.00	3.33	3.67	4.00	4.00	3.67	0.00	13.00	0.00	14.33	13.00	0.00	2.00	10.00	144.58
22	Kenai Peninsula	Districtwide Asphalt Repairs	18.00	26.54	0.00	30.00	2.75	0.00	0.00	0.00	0.00	10.00	10.00	2.67	5.00	4.33	3.67	3.67	0.00	7.33	1.67	0.00	7.67	2.33	0.33	6.00	141.96
23	Annette Island	Mellakata Schools Track and Field Construction	18.00	30.00	0.00	0.00	1.82	0.00	0.00	0.00	5.00	15.00	10.00	3.67	3.67	3.33	4.33	3.33	0.00	14.00	1.33	3.00	11.33	1.67	3.00	9.33	141.82
24	Valdez City	Districtwide Technology Upgrades	24.00	15.02	0.00	10.00	2.94	0.00	0.00	0.00	0.00	15.00	10.00	4.33	4.67	3.00	3.00	0.67	0.00	14.67	2.67	0.00	12.00	7.67	0.33	11.00	140.96
25	Mat-Su Borough	Mat-Su Day School New Construction	3.00	4.89	0.00	0.00	2.45	0.00	2.77	21.55	0.00	15.00	10.00	4.33	5.00	3.00	3.33	4.33	0.67	11.00	3.67	10.67	13.00	1.00	1.67	8.67	130.00
26	Juneau City Borough	Floyd Dryden Middle School Covered Play Area & Dzantik'i Heeni Middle School Trail Addition	24.00	7.03	0.00	0.00	3.00	0.00	0.00	15.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	8.00	0.00	1.67	5.33	0.00	2.67	8.00	121.36
27	Petersburg City	Districtwide Boiler Upgrades	30.00	30.00	0.00	0.00	1.22	0.00	0.00	0.00	5.00	5.00	5.00	1.67	2.00	1.33	1.33	0.33	0.00	10.00	2.67	0.00	13.33	3.67	1.00	4.00	117.56
28	Mat-Su Borough	Talkeetna Elementary School Playground Equipment Replacement	0.00	5.07	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	10.67	2.00	0.00	12.00	2.00	1.33	7.00	115.17
29	Mat-Su Borough	Meadow Lakes Elementary School Playground Equipment Replacement	0.00	0.00	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	11.33	2.00	0.00	12.00	2.00	1.33	7.00	110.77
30	Mat-Su Borough	Colony High School Chalk Boards Replacement	0.00	5.75	0.00	30.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	8.67	1.00	0.00	12.00	0.00	1.33	6.33	110.19
31	Juneau City Borough	Juneau School District Site / Safety / Security Improvements	27.00	8.94	0.00	0.00	3.00	0.00	0.00	0.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	7.67	2.33	0.00	7.00	0.00	0.00	0.00	102.61
32	Mat-Su Borough	Track And Field Renovation, 3 Schools	0.00	10.58	0.00	0.00	2.44	0.00	0.00	0.00	0.00	15.00	10.00	2.67	5.00	3.33	3.33	3.33	0.00	9.67	5.67	1.00	9.33	6.00	2.00	8.33	97.68
33	Petersburg City	Districtwide Covered Sidewalks	6.00	30.00	0.00	0.00	1.22	0.00	0.00	10.00	5.00	5.00	5.00	1.67	2.00	1.33	1.33	0.33	0.00	8.67	1.67	0.00	10.00	1.67	1.33	0.33	92.56
34	Juneau City Borough	Districtwide Food Service Upgrades	9.00	8.03	0.00	0.00	3.00	0.00	0.00	0.00	0.00	15.00	10.00	4.67	4.67	5.00	3.33	4.00	0.00	7.33	0.00	1.33	5.00	1.67	0.00	6.67	88.69
35	Lower Yukon	Pilot Station K-12 School Access Road Remediation	18.00	0.00	0.00	0.00	2.20	0.00	0.00	0.00	0.00	15.00	10.00	3.67	3.33	3.33	3.33	4.33	0.00	10.00	4.67	0.00	6.33	0.00	0.00	3.67	87.87

26-LS1342C
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3/31/10

CS FOR SENATE BILL NO. 237(FIN)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a formula and a fund for school construction grant funding for**
2 **regional educational attendance areas; extending the deadline for authorizing school**
3 **construction debt reimbursed by the state; and requiring a report from the**
4 **commissioner of revenue."**

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

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **LEGISLATIVE FINDINGS.** The legislature finds that

9 (i) the Alaska Superior Court, Third Judicial District, in *Kasayulie v. State of*
10 *Alaska*, Case No. 3AN-97-3782 (1999), determined that

11 (A) the method of funding capital projects for school construction and
12 major maintenance does not provide rural schools with adequate or equitable funding
13 opportunities; and

14 (B) while urban schools are adequately funded through existing

1 mechanisms including bond debt, taxes, and appropriations, a comparable mechanism
2 for funding rural schools does not exist;

3 (2) the mechanisms that currently exist in statute to provide construction
4 funding to regional educational attendance areas have not resulted in sufficient funding for
5 projects approved for those districts.

6 * **Sec. 2.** AS 14.11 is amended by adding new sections to read:

7 **Sec. 14.11.025. State aid for school construction in regional educational**
8 **attendance areas.** (a) In addition to other appropriations and funding sources, the
9 department shall annually provide grant funding from the fund established under
10 AS 14.11.030 to a school district that is a regional educational attendance area in an
11 amount determined under (b) of this section for a project approved under
12 AS 14.11.005 - 14.11.020.

13 (b) The amount of money available each fiscal year for expenditure under (a)
14 of this section shall be the outstanding debt amount required to be reimbursed by the
15 state under AS 14.11.100, multiplied by 0.28, the product of which is to be multiplied
16 by the percentage of students in the state enrolled in and attending a school located in
17 a regional educational attendance area.

18 **Sec. 14.11.030. Regional educational attendance area school fund.** (a) The
19 regional educational attendance area school fund is created as an account in the
20 general fund to be used, in addition to other funding sources, to fund projects
21 approved under AS 14.11.025 for the costs of school construction in regional
22 educational attendance areas.

23 (b) Legislative appropriations, including appropriations of interest earned on
24 the fund, shall be deposited in the fund established under this section. The fund
25 balance may not exceed \$100,000,000.

26 (c) Money appropriated to the fund does not lapse except to the extent money
27 in the fund exceed the maximum fund balance specified in (b) of this section.

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

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

31 (1) payments made by the municipality during the fiscal year two years

1 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
2 indebtedness incurred before July 1, 1977, to pay costs of school construction;

3 (2) 90 percent of

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

8 (B) cash payments made after June 30, 1976, and before July 1,
9 1978, by the municipality during the fiscal year two years earlier to pay costs
10 of school construction;

11 (3) 90 percent of

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

17 (B) cash payments made after June 30, 1978, and before July 1,
18 1982, by the municipality during the fiscal year two years earlier to pay costs
19 of school construction projects approved under AS 14.07.020(a)(11);

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

21 (A) payments made by the municipality during the current
22 fiscal year for the retirement of principal and interest on outstanding bonds,
23 notes, or other indebtedness incurred after December 31, 1981, and authorized
24 by the qualified voters of the municipality before July 1, 1983, to pay costs of
25 school construction, additions to schools, and major rehabilitation projects that
26 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

27 (B) cash payments made after June 30, 1982, and before July 1,
28 1983, by the municipality during the fiscal year two years earlier to pay costs
29 of school construction, additions to schools, and major rehabilitation projects
30 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

31 (C) payments made by the municipality during the current

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

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

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

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

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

25 (B) cash payments made after June 30, 1983, by the
26 municipality during the fiscal year two years earlier to pay costs of school
27 construction, additions to schools, and major rehabilitation projects that exceed
28 \$25,000 and are approved by the department before July 1, 1990, under
29 AS 14.07.020(a)(11);

30 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
31 made by the municipality during the fiscal year for the retirement of principal and

1 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
 2 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
 3 costs of school construction, additions to schools, and major rehabilitation projects
 4 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

5 (7) 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 after March 31, 1990, but before April 30, 1993, to pay
 9 costs of school construction, additions to schools, and major rehabilitation projects;

10 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
 11 projects funded by the bonds, notes, or other indebtedness have been approved by the
 12 commissioner, 70 percent of payments made by the municipality during the fiscal year
 13 for the retirement of principal and interest on outstanding bonds, notes, or other
 14 indebtedness authorized by the qualified voters of the municipality on or after July 1,
 15 1995, but before July 1, 1998, to pay costs of school construction, additions to
 16 schools, and major rehabilitation projects that exceed \$200,000 and are approved
 17 under AS 14.07.020(a)(11);

18 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
 19 projects funded by the bonds, notes, or other indebtedness have been approved by the
 20 commissioner, 70 percent of payments made by the municipality during the fiscal year
 21 for the retirement of principal and interest on outstanding bonds, notes, or other
 22 indebtedness authorized by the qualified voters of the municipality on or after July 1,
 23 1998, but before July 1, 2006, to pay costs of school construction, additions to
 24 schools, and major rehabilitation projects that exceed \$200,000 and are approved
 25 under AS 14.07.020(a)(11);

26 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
 27 projects funded by the bonds, notes, or other indebtedness have been approved by the
 28 commissioner, 70 percent of payments made by the municipality during the fiscal year
 29 for the retirement of principal and interest on outstanding bonds, notes, or other
 30 indebtedness authorized by the qualified voters of the municipality on or after June 30,
 31 1998, to pay costs of school construction, additions to schools, and major

1 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
2 and are not reimbursed under (n) of this section;

3 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
4 funded by the bonds, notes, or other indebtedness have been approved by the
5 commissioner, 70 percent of payments made by a municipality during the fiscal year
6 for the retirement of principal and interest on outstanding bonds, notes, or other
7 indebtedness authorized by the qualified voters of the municipality on or after June 30,
8 1999, but before January 1, 2005, to pay costs of school construction, additions to
9 schools, and major rehabilitation projects and education-related facilities that exceed
10 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
11 or (o) of this section;

12 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
13 of payments made by a municipality during the fiscal year for the retirement of
14 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
15 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
16 2005, to pay costs of school construction, additions to schools, and major
17 rehabilitation projects and education-related facilities that exceed \$200,000, are
18 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
19 section;

20 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
21 projects funded by the tax exempt bonds, notes, or other indebtedness have been
22 approved by the commissioner, 70 percent of payments made by a municipality during
23 the fiscal year for the retirement of principal and interest on outstanding tax exempt
24 bonds, notes, or other indebtedness authorized by the qualified voters of the
25 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
26 school construction, additions to schools, and major rehabilitation projects and
27 education-related facilities that exceed \$200,000, are approved under
28 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

29 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
30 percent of payments made by a municipality during the fiscal year for the retirement
31 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness

1 authorized by the qualified voters of the municipality on or after June 30, 1999, but
2 before October 31, 2006, to pay costs of school construction, additions to schools, and
3 major rehabilitation projects and education-related facilities that exceed \$200,000, are
4 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
5 section;

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

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

25 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
26 of payments made by a municipality during the fiscal year for the retirement of
27 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
28 authorized by the qualified voters of the municipality on or after October 1, 2006,
29 [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction,
30 additions to schools, and major rehabilitation projects and education-related facilities
31 that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not

1 reimbursed under (o) of this section.

2 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 **REPORT ON STATE BOND RATING.** The commissioner of revenue shall review
5 the effect of AS 14.11.100(a), as amended by sec. 3 of this Act, on the state's bond rating and
6 provide a report to the legislature within 30 days of the date that is five years after the
7 effective date of this Act.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS for SB237 (FIN)
 () Publish Date: _____

Identifier (file name): CSSB237-EED-ESS-3-31-10 Section 3 Dept. Affected: Education & Early Develo
 Title "An act extending the deadline for authorizing school RDU School Debt Reimbursement
construction debt reimbursed by the state" Component School Debt Reimbursement
 Sponsor Senate Education Committee
 Requester Senate Finance Committee Component Number 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Section 3 of SB 237 removes the sunset date for the existing debt reimbursement program. Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by \$2,000,000; FY 09-10 increased by \$3,000,000; and FY10-11 increased by \$6,000,000. The average of the 3 year increases are $\$11,000,000 \div 3 = \$3,666,666$. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space guidelines.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division School Finance Date/Time 3/31/10 4:30 PM
 Approved by: Larry LeDoux Date 3/31/2010
Commissioner

Amendment 1
by Hoffman

REPORT TO THE LEGISLATURE. By February 1, 2013, the Department of Education and Early Development shall provide to the governor and make available to the public and the legislature a report on the effectiveness including an analysis funding sources and the short and long term fiscal impacts to the state of both the school construction and major maintenance grants and school construction debt reimbursement program under AS 14.11.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS for SB237 (FIN)
 () Publish Date: _____

Identifier (file name): CSSB237-EED-ESS-1-29-10 Dept. Affected: Education & Early Develo
 Title "An act extending the deadline for authorizing school RDU School Debt Reimbursement
construction debt reimbursed by the state" Component School Debt Reimbursement
 Sponsor Senate Education Committee
 Requester Senate Finance Committee Component Number 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0

CAPITAL EXPENDITURES			40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL		0.0	0.0	40,300.0	44,000.0	44,000.0	44,000.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 237 establishes a program to fund rural school construction by establishing an account in the General Fund to receive annual appropriations based on a formula defined in the legislation. The fiscal note anticipates full expenditure of all appropriated amounts for capital in the year appropriated, although the actual cash flow may vary based on the annual CIP priority list for school construction projects. The first year of fiscal expenditure as a result of this bill will be in FY2013.

SB 237 also removes the sunset date for the existin debt reimbursement program. Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by \$2,000,000; FY 09-10 increased by \$3,000,000; and FY10-11 increased by \$6,000,000. The average of the 3 year increases are $\$11,000,000 \div 3 = \$3,666,666$. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division School Finance Date/Time 3/30/10 12:30 PM
 Approved by: Larry LeDoux Date 3/30/2010
Commissioner

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS for SB237 (FIN)
 () Publish Date: _____

Identifier (file name): CSSB237-EED-ESS-3-31-10 Sections 1 and 2 Dept. Affected: Education & Early Develo
 Title "An act extending the deadline for authorizing school construction debt reimbursed by the state" RDU School Debt Reimbursement
 Component School Debt Reimbursement
 Sponsor Senate Education Committee
 Requester Senate Finance Committee Component Number 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING								

CAPITAL EXPENDITURES			40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF		40,300.0	40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	40,300.0	40,300.0	40,300.0	40,300.0	40,300.0	40,300.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Sections one and two of SB 237 establish a program to fund rural school construction by establishing an account in the General Fund to receive annual appropriations based on a formula defined in the legislation. The amount was determined by multiplying the total outstanding debt amount (\$1,200,000,000) by 28% as identified on line 15 of page two of the finance CS, and subsequently multiplying that number by the percentage of students attending school in REAA schools (approximately 12%) as identified on line 16 of page two of the finance CS. The fiscal note anticipates full expenditure of all appropriated amounts for capital in the year appropriated, although the actual cash flow may vary based on the annual CIP priority list for school construction projects. The first anticipated year of fiscal expenditure related to sections one and two will be in FY2012.

Prepared by: Eddy Jeans, Director Phone 465-8679
 Division School Finance Date/Time 3/31/10 12:00 AM
 Approved by: Larry LeDoux Date 3/31/2010
Commissioner

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB237
 () Publish Date: _____

Identifier (file name): SB237-EED-ESS-1-29-10
 Title: "An act extending the deadline for authorizing school construction debt reimbursed by the state"
 Sponsor: Senate Education Committee
 Requester: Senate Education Committee
 Dept. Affected: Education & Early Development
 RDU: School Debt Reimbursement
 Component: School Debt Reimbursement
 Component Number: 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0	
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill is for projects approved and authorized by voters on or after November 1, 2006 but before November 30, 2013. This bill extends the current deadline to November 30, 2013 for authorizing debt reimbursements by the state. The first year of fiscal impact of this bill will be in FY2013.

Anticipated increases are based on increases averaged over the prior three fiscal years. FY08-09 increased by \$2,000,000; FY 09-10 increased by \$3,000,000; and FY10-11 increased by \$6,000,000. The average of the 3 year increases are $\$11,000,000 \div 3 = \$3,666,666$.

70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: Larry LeDoux
 Commissioner

Phone: 465-8679
 Date/Time: 1/29/10 12:00 AM
 Date: 1/29/2010

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/22/10

FURTHER: Finance

Date of 5-Day Notice: 1/28/10
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/1/10

Education Committee considered SENATE BILL NO. 237

SB 237 SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

"An Act extending the deadline for authorizing school construction debt reimbursed by the state."

and recommends:

be replaced with SCS or CS _____ (_____)

adopt previous SCS or CS _____ (_____)

attached amendment(s)

adopt _____ Letter of Intent

further referral to _____ Committee

SENATE BILL:

- Same Title
- New Title

HOUSE BILL:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

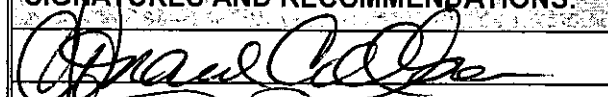

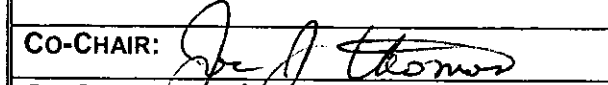
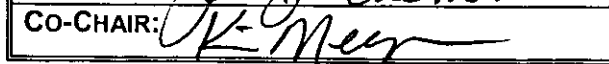
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED	1/29/10	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	OLSON		✓	✓	
	DAVIS	✓			
CO-CHAIR: 	Thomas	✓			
CO-CHAIR: 	Meyer	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: ①
 Bill Version: SB237
 () Publish Date: 2/1/10

Identifier (file name): SB237-EED-ESS-1-29-10 Dept. Affected: Education & Early Develo
 Title: "An act extending the deadline for authorizing school RDU: School Debt Reimbursement
construction debt reimbursed by the state" Component: School Debt Reimbursement
 Sponsor: Senate Education Committee
 Requester: Senate Education Committee Component Number: 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0	
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()							
-------------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL		0.0	0.0	0.0	3,700.0	3,700.0	3,700.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill is for projects approved and authorized by voters on or after November 1, 2006 but before November 30, 2013. This bill extends the current deadline to November 30, 2013 for authorizing debt reimbursements by the state. The first year of fiscal impact of this bill will be in FY2013.

Anticipated increases are based on increases averaged over the prior three fiscal years. FY08-09 increased by \$2,000,000; FY 09-10 increased by \$3,000,000; and FY10-11 increased by \$6,000,000. The average of the 3 year increases are $\$11,000,000 \div 3 = \$3,666,666$.

70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state

Prepared by: Eddy Jeans, Director
 Division: School Finance
 Approved by: Larry LeDoux
Commissioner

Phone 465-8679
 Date/Time 1/29/10 12:00 AM
 Date 1/29/2010

SENATE COMMITTEE REPORT

DATE: 2/26/10

FURTHER: Labor and Commerce

DATE TURNED
IN TO OFFICE: 3/26/10

Education Committee considered CS FOR HOUSE BILL NO. 110(HSS)

HB 110 PSYCHOLOGISTS' LICENSING & PRACTICE

"An Act relating to the practice and licensing of psychologists."

and recommends:

- be **replaced** with **SCS** or **CS** _____ (_____)
- adopt **previous** **SCS** or **CS** _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	1/14			✓	1
CEO	2/16			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Hughson	✓			
	Davis			✓	
	Stevens				
	Meyer				
CHAIR:	Thomas				

SENATE COMMITTEE REPORT

DATE: 3/15/10

FURTHER: Rules

DATE TURNED IN TO OFFICE: 4/5/10

Education Committee considered CS FOR HOUSE BILL NO. 360(EDC)

HB 360 YOUTH ACADEMY: STUDENT RECORDS

"An Act relating to the provision of information regarding a student by a school district to the Department of Military and Veterans' Affairs, Alaska Challenge Youth Academy."

and recommends:

- be replaced with SCS or CS HB 360 (EDC)
- adopt previous SCS or CS _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#
EED	3/8			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC.	AMEND
	Huygens	X			
	Meyer	X			
	DAVIS	X			
	Olson			✓	
CO-CHAIR:	Thomas	✓			