

LEG. FINANCE - BILLS 1985 - 1986 2364

HB 191 cont. - HB 193

2364

1 005, a portion of the debt for the project equal to the amount of the
2 grant shall be retired at the rate of 50 percent. The remainder of
3 the debt shall be retired at the rate of 90 percent as provided in
4 AS 14.11.100(a)(5).

5 * Sec. 11. AS 14.11.135 is amended to read:

6 Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100
7 14.11.135], unless the context requires otherwise,

8 (1) "approved school construction project" means the plan
9 for a new school or an addition to or major rehabilitation of an
10 existing school to the extent to which approved by the commissioner in
11 accordance with AS 14.07.020(11);

12 (2) "commissioner" means the commissioner of education;

13 (3) "costs of school construction" means the cost of
14 acquiring, constructing, enlarging, repairing, remodeling, equipping
15 or furnishing of public elementary and secondary school buildings and
16 includes the sum total of all costs of financing and carrying out the
17 project; these include, but are not limited to, the costs of all
18 necessary studies, surveys, plans and specifications, architectural,
19 engineering or other special services, acquisition of real property,
20 site preparation and development, purchase, construction, reconstruc-
21 tion and improvement of real property and the acquisition of machinery
22 and equipment as may be necessary in connection with the project; an
23 allocable portion of the administrative and operating expenses of the
24 grantee; the cost of financing the project, including interest on
25 bonds issued to finance the project; and the cost of other items,
26 including any indemnity and surety bonds and premiums on insurance,
27 legal fees, fees and expenses of trustees, depositaries, financial
28 advisors, and paying agents for the bonds issued as the issuer con-
29 siders necessary;

1 (4) "department" means the Department of Education;

2 (5) "school district" means a municipal school district or
3 a regional educational attendance area.

4 * Sec. 12. AS 37.05.315 is amended by adding a new subsection to read:

5 (e) A municipality that accepts a grant under this section for
6 school construction or repair must comply with the provisions of
7 AS 14.11.015.

8 * Sec. 13. (a) The amendments to AS 14.11.100(j) provided for in sec.
9 8 of this Act apply only to school construction projects approved by the
10 commissioner of education after the effective date of this Act.

11 (b) The requirement of AS 14.11.102, added by sec. 10 of this Act,
12 that requests for an allocation of funds under AS 14.11.100 be submitted by
13 October 15 of the fiscal year before the fiscal year for which the request
14 is made, does not apply to requests for fiscal years 1986 and 1987.

15 * Sec. 14. AS 14.11.105, 14.11.110, 14.11.115, 14.11.120, 14.11.125 and
16 14.11.130 are repealed.

17 * Sec. 15. This Act takes effect July 1, 1985.

Introduced: 2/13/85
Referred: Health, Education &
Social Services and Finance

BY COTTEN, SZYMANSKI, DAVIS,
SUND, NAVARRE, TAYLOR, HURLEY
AND GRUENBERG

1 IN THE HOUSE

2 HOUSE BILL NO. 191

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to State aid for school construc-
7 tion; and providing for an effective date."

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

9 * Section 1. AS 14.11.100(a) is amended to read:

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

12 (1) payments made by the municipality during the fiscal
13 year two years earlier for the retirement of principal and interest on
14 outstanding bonds, notes or other indebtedness incurred before July 1,
15 1977₁ to pay costs of school construction;

16 (2) 90 percent of

17 (A) payments made by the municipality during the
18 fiscal year two years earlier for the retirement of principal and
19 interest on outstanding bonds, notes or other indebtedness incur-
20 red after June 30, 1977₁ and before July 1, 1978₁ to pay costs of
21 school construction;

22 (B) cash payments made after June 30, 1976₁ and before
23 July 1, 1978₁ by the municipality during the fiscal year two
24 years earlier to pay costs of school construction;

25 (3) 90 percent of

26 (A) payments made by the municipality during the
27 fiscal year two years earlier for the retirement of principal and
28 interest on outstanding bonds, notes or other indebtedness incur-
29 red after June 30, 1978₁ and before January 1, 1982₁ to pay costs

1 of school construction projects approved under AS 14.07.020(11);

2 (B) cash payments made after June 30, 1978, and before
3 July 1, 1982, by the municipality during the fiscal year two
4 years earlier to pay costs of school construction projects ap-
5 proved under AS 14.07.020(11);

6 (4) subject to (h) and (i) of this section up to 90 percent
7 of

8 (A) payments made by the municipality during the
9 current fiscal year for the retirement of principal and interest
10 on outstanding bonds, notes or other indebtedness incurred after
11 December 31, 1981, and authorized by the qualified voters of the
12 municipality before July 1, 1983, to pay costs of school con-
13 struction, additions to schools, and major rehabilitation pro-
14 jects that exceed \$25,000 and are approved under AS 14.07.-
15 020(11); and

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

21 (C) payments made by the municipality during the
22 current fiscal year for the retirement of principal and interest
23 on outstanding bonds, notes, or other indebtedness to pay costs
24 of school construction, additions to schools, and major rehab-
25 ilitation projects that exceed \$25,000 and are submitted to the
26 Department of Education for approval under AS 14.07.020(11)
27 before July 1, 1983, and approved by the qualified voters of the
28 municipality before October 15, 1983, not to exceed a total
29 project cost of (i) \$6,600,000 if the annual growth rate of

1 average daily membership of the municipality is more than 7
2 percent but less than 12 percent, or (ii) \$20,000,000 if the
3 annual a growth rate of average daily membership of the munici-
4 pality is 12 percent or more; payments made by a municipality
5 under this paragraph on total project costs that exceed the
6 amounts set out in (i) and (ii) of this paragraph are subject to
7 (a)(5)(A) of this section.

8 (5) subject to (h) and (i) of this section, 90 [50] percent
9 of

10 (A) payments made by the municipality during the
11 fiscal year for the retirement of principal and interest on
12 outstanding bonds, notes or other indebtedness authorized by the
13 qualified voters of the municipality after June 30, 1983, to pay
14 costs of school construction, additions to schools, and major
15 rehabilitation projects that exceed \$25,000 and are approved
16 under AS 14.07.020(11); and

17 (B) cash payments made after June 30, 1983, by the
18 municipality during the fiscal year two years earlier to pay
19 costs of school construction, additions to schools, and major
20 rehabilitation projects that exceed \$25,000 and are approved
21 under AS 14.07.020(11).

22 * Sec. 2. AS 14.11.100(c) is amended to read:

23 (c) The school construction account is established. Funds to
24 carry out the provisions of this section may be appropriated annually
25 by the legislature to the account. If amounts in the account are
26 insufficient for the purpose of providing the share to which a borough
27 or city is entitled under this section, those funds that are available
28 shall be distributed pro rata among the eligible local gov ements
29 having an annual growth rate of average daily membership of five

1 percent or more. Remaining funds shall be distributed pro rata among
2 eligible local governments having an annual growth rate of average
3 daily membership under five percent.

4 * Sec. 3. This Act takes effect July 1, 1985.

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/22/85

Date: 4-30-85

The Committee on FINANCE has had HB 191

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

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 191 (FIN) same title new title

and recommends DO PASS

AND attaches a "Letter of Intent" New Fiscal Note Zero Fiscal Note Attached

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4-30-85

REQUEST

Bill/Resolution No. CS HB-191 (Fin)
 Title: ...state aid...school
construction
 Sponsor: Cotten
 Requestor: House Finance
 Date of Request: 4-30-85

FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____
 Debt Retirement _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	0	1,200.0	1,250.0	1,300.0	
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	1,200.0	1,250.0	1,300.0	

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND	0	0	1,200.0	1,250.0	1,300.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Impact shown is a result of increasing the reimbursement rate on existing debt presently reimbursed at 50%. Costs associated with future debt are indeterminate.

Prepared By: Steve [Signature] Phone: 2800
 Division: Commissioner's Office Date: 4-30-85
 Approved by Commissioner: Harold Reynolds, Jr. Date: 4-30-85
 Agency: Education

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Original sponsors: Cotten, Szymanski,
Davis, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 191 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for school construc-
7 tion; and providing for an effective date."

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

9 * Section 1. AS 14.11.100(a)(5) is amended to read:

10 (5) subject to (h), [AND] (i), and (j) of this section, 80
11 [50] percent of

12 (A) payments made by the municipality during the
13 fiscal year for the retirement of principal and interest on
14 outstanding bonds, notes or other indebtedness authorized by the
15 qualified voters of the municipality after June 30, 1983, to pay
16 costs of school construction, additions to schools, and major
17 rehabilitation projects that exceed \$25,000 and are approved
18 under AS 14.07.020(11); and

19 (B) cash payments made after June 30, 1983, by the
20 municipality during the fiscal year two years earlier to pay
21 costs of school construction, additions to schools, and major
22 rehabilitation projects that exceed \$25,000 and are approved
23 under AS 14.07.020(11).

24 * Sec. 2. AS 14.11.100(h) is amended to read:

25 (h) An allocation under (a)(4) or (5) of this section for school
26 construction begun after July 1, 1982, shall be reduced by the amount
27 of money used for the construction of residential space, hockey rinks,
28 planetariums, saunas, and other facilities for single purpose sporting
29 or recreational uses that are not suitable for other activities and by

1 the money used for construction that exceeds the amount needed for
2 construction of a facility of efficient design as determined by the
3 department. An allocation under (a)(4) or (5) of this section may not
4 be reduced by the amount of money used for construction of a small
5 swimming pool, tank, or water storage facility used for water sports.
6 However, an allocation shall be reduced by the difference between the
7 amount of money used to construct a swimming pool that is competition
8 size or larger and the amount of money that would have been used to
9 construct a small swimming pool, tank, or water storage facility, as
10 determined by the commissioner.

11 * Sec. 3. AS 14.11.100(i) is amended to read:

12 (i) For the purposes of (a)(4) and (5) of this section

13 (1) an indebtedness for bonds is incurred after the bonds
14 are sold;

15 (2) reimbursement for a cash payment may only be made after
16 the payment is made to a vendor; and

17 (3) payments may not be made for costs that are incurred
18 under a contract after the contract has been released.

19 * Sec. 4. AS 14.11.100(j) is amended to read:

20 (j) The state may not allocate money to a municipality for a
21 school construction project under (a)(5) of this section unless the
22 municipality complies with the requirements of (1) - (4) of this
23 subsection and the project is approved by the commissioner before the
24 local vote on the bond issue for the project. In approving a project
25 under this subsection, the commissioner shall require

26 (1) the municipality to include on the ballot for the bond
27 issue the estimated total cost of each project and the estimated
28 amounts that will be paid by the state and by the municipality;

29 (2) that the bonds may not be refunded unless the annual

1 debt service on the refunding issue is not greater than the annual
2 debt service on the original issue;

3 (3) that the bonds must be repaid in approximately equal
4 annual principal payments or approximate equal debt service payments
5 over a period of at least 10 years;

6 (4) the municipality to demonstrate need for the project by
7 establishing that the school district has

8 (A) projected long-term student enrollment that indi-
9 cates the district has inadequate facilities to meet present or
10 projected enrollment or program needs; or

11 (B) facilities that require repair or replacement in
12 order to meet health and safety laws or regulations or building
13 codes [; FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL D.S-
14 TRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS
15 LISTED IN AS 14.11.010(c)].

16 * Sec. 5. AS 14.11.100 is amended by adding a new subsection to read:

17 (k) An amount equal to the interest earned on the investment of
18 the proceeds of bonds issued for a school construction project shall
19 be used by the municipality to pay the costs of construction of the
20 project.

21 * Sec. 6. AS 14.11 is amended by adding a new section to read:

22 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall
23 evaluate projects for which retirement of school construction debt is
24 requested by school districts in accordance with the procedures set
25 out in AS 14.11.010. A request for an allocation of funds under
26 AS 14.11.100 must be submitted to the department by the school dis-
27 trict no later than October 15 of the fiscal year before the fiscal
28 year for which the request is made.

29 * Sec. 7. AS 14.11.135 is amended to read:

1 Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 -
2 14.11.135], unless the context requires otherwise,

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

7 (2) "commissioner" means the commissioner of education;

8 (3) "costs of school construction" means the cost of ac-
9 quiring, constructing, enlarging, repairing, remodeling, equipping or
10 furnishing of public elementary and secondary school buildings and
11 includes the sum total of all costs of financing and carrying out the
12 project; these include, but are not limited to, the costs of all
13 necessary studies, surveys, plans and specifications, architectural,
14 engineering or other special services, acquisition of real property,
15 site preparation and development, purchase, construction, reconstruc-
16 tion and improvement of real property and the acquisition of machinery
17 and equipment as may be necessary in connection with the project; an
18 allocable portion of the administrative and operating expenses of the
19 grantee; the cost of financing the project, including interest on
20 bonds issued to finance the project; and the cost of other items,
21 including any indemnity and surety bonds and premiums on insurance,
22 legal fees, fees and expenses of trustees, depositaries, financial
23 advisors, and paying agents for the bonds issued as the issuer con-
24 siders necessary;

25 (4) "department" means the Department of Education;

26 (5) "school district" means a municipal school district or
27 a regional educational attendance area.

28 * Sec. 8. (a) The amendments to AS 14.11.100(j) provided for in sec. 4
29 of this Act apply only to school construction projects approved by the
CSHB 191(Fin)

1 commissioner of education after the effective date of this Act.

2 (b) The requirement of AS 14.11.102, added by sec. 6 of this Act,
3 that requests for an allocation of funds under AS 14.11.100 be submitted by
4 October 15 of the fiscal year before the fiscal year for which the request
5 is made, does not apply to requests for fiscal year 1987.

6 * Sec. 9. This Act takes effect July 1, 1986.
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Levy
4/23/85 ✓

Original sponsors: Cotten, Szymanski,
Davis, et al

1
2 IN THE HOUSE

3 CS FOR HOUSE BILL NO. 191 ()
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to state aid for school construc-
8 tion; and providing for an effective date."

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

10 * Section 1. AS 14.11 is amended by adding a new section to read:

11 Sec. 14.11.015. SCHOOL CONSTRUCTION GRANTS. (a) A school
12 district may accept a grant for school construction if the school
13 district complies with the requirements of (1) and (2) of this sub-
14 section and the project is approved by the commissioner. In approving
15 a project under this section, the commissioner shall require the
16 school district to

17 (1) agree to construction of a facility of appropriate size
18 and configuration, as determined by the state Board of Education; and

19 (2) demonstrate to the commissioner the need for the pro-
20 ject by

21 (A) a projected long-term student enrollment that
22 indicates the school district has inadequate facilities to meet
23 present or projected enrollment or program needs; or

24 (B) existing facilities that require repair or re-
25 placement at a cost exceeding \$25,000.

26 (b) A school construction grant may not be used for the cons-
27 truction of student residential space, hockey rinks, planetariums,
28 saunas, and other facilities for single purpose sporting or recre-
29 ational uses that are not suitable for other activities. However, a
school construction grant may, subject to the approval of the

1 commissioner, be used for construction of a small swimming pool, tank,
2 or water storage facility used for water sports.

3
4 * Sec. 2. AS 14.11.100(a)(5) is amended to read:

5 (5) subject to (h), [AND] (i), and (j) of this section, 80
6 [50] percent of

7 (A) payments made by the municipality during the
8 fiscal year for the retirement of principal and interest on
9 outstanding bonds, notes or other indebtedness authorized by the
10 qualified voters of the municipality after June 30, 1983, to pay
11 costs of school construction, additions to schools, and major
12 rehabilitation projects that exceed \$25,000 and are approved
13 under AS 14.07.020(11); and

14 (B) cash payments made after June 30, 1983, by the
15 municipality during the fiscal year two years earlier to pay
16 costs of school construction, additions to schools, and major
17 rehabilitation projects that exceed \$25,000 and are approved
18 under AS 14.07.020(11).

19 * Sec. 3. AS 14.11.100(h) is amended to read:

20 (h) An allocation under (a)(4) or (5) of this section for school
21 construction begun after July 1, 1982, shall be reduced by the amount
22 of money used for the construction of residential space, hockey rinks,
23 planetariums, saunas, and other facilities for single purpose sporting
24 or recreational uses that are not suitable for other activities. An
25 allocation under (a)(4) or (5) of this section may not be reduced by
26 the amount of money used for construction of a small swimming pool,
27 tank, or water storage facility used for water sports. However, an
28 allocation shall be reduced by the difference between the amount of
29 money used to construct a swimming pool that is competition size or
larger and the amount of money that would have been used to construct

1 a small swimming pool, tank, or water storage facility, as determined
2 by the commissioner.
3

4 * Sec. 4. AS 14.11.100(i) is amended to read:

5 (i) For the purposes of (a)(4) and (5) of this section

6 (1) an indebtedness for bonds is incurred after the bonds
7 are sold;

8 (2) reimbursement for a cash payment may only be made after
9 the payment is made to a vendor; and

10 (3) payments may not be made for costs that are incurred
11 under a contract after the contract has been released.

12 * Sec. 5. AS 14.11.100(j) is amended to read:

13 (j) The state may not allocate money to a municipality for a
14 school construction project under (a)(5) of this section unless the
15 municipality complies with the requirements of (1) - (5) of this
16 subsection and the project is approved by the commissioner before the
17 local vote on the bond issue for the project. In approving a project
18 under this subsection, the commissioner shall require

19 (1) the municipality to include on the ballot for the bond
20 issue the estimated total cost of each project and the estimated
21 amounts that will be paid by the state and by the municipality;

22 (2) that the bonds may not be refunded unless the annual
23 debt service on the refunding issue is not greater than the annual
24 debt service on the original issue;

25 (3) that the bonds must be repaid in approximately equal
26 annual principal payments or approximate equal debt service payments
27 over a period of at least 10 years;

28 (4) the municipality to demonstrate need for the project by
29 establishing that the school district has

(A) projected long-term student enrollment that

1
2 indicates the district has inadequate facilities to meet present
3 or projected enrollment or program needs; or

4 (B) facilities that require repair or replacement in
5 order to meet health and safety laws or regulations or building
6 codes;

7 (5) the municipality to agree to construction of a facility
8 of appropriate size and configuration, as determined by the state
9 board of education [FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL
10 DISTRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS
11 LISTED IN AS 14.11.010(c)].

12 * Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

13 (k) An amount equal to the interest earned on the investment of
14 the proceeds of bonds issued for a school construction project shall
15 be used by the municipality to pay the costs of construction of the
16 project.

17 * Sec. 7. AS 14.11 is amended by adding a new section to read:

18 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall
19 evaluate projects for which retirement of school construction debt is
20 requested by school districts in accordance with the procedures set
21 out in AS 14.11.010. A request for an allocation of funds under
22 AS 14.11.100 must be submitted to the department by the school dis-
23 trict no later than October 15 of the fiscal year before the fiscal
24 year for which the request is made.

25 * Sec. 8. AS 14.11.135 is amended to read:

26 Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 -
27 14.11.135], unless the context requires otherwise,

28 (1) "approved school construction project" means the plan
29 for a new school or an addition to or major rehabilitation of an
existing school to the extent to which approved by the commissioner in

1 accordance with AS 14.07.020(11);

2 (2) "commissioner" means the commissioner of education;

3 (3) "costs of school construction" means the cost of ac-
4 quiring, constructing, enlarging, repairing, remodeling, equipping or
5 furnishing of public elementary and secondary school buildings and
6 includes the sum total of all costs of financing and carrying out the
7 project; these include, but are not limited to, the costs of all
8 necessary studies, surveys, plans and specifications, architectural,
9 engineering or other special services, acquisition of real property,
10 site preparation and development, purchase, construction, reconstruc-
11 tion and improvement of real property and the acquisition of machinery
12 and equipment as may be necessary in connection with the project; an
13 allocable portion of the administrative and operating expenses of the
14 grantee; the cost of financing the project, including interest on
15 bonds issued to finance the project; and the cost of other items,
16 including any indemnity and surety bonds and premiums on insurance,
17 legal fees, fees and expenses of trustees, depositaries, financial
18 advisors, and paying agents for the bonds issued as the issuer con-
19 siders necessary;

20 (4) "department" means the Department of Education;

21 (5) "school district" means a municipal school district or
22 a regional educational attendance area.

23 * Sec. 9. AS 37.05.315 is amended by adding a new subsection to read:

24 (e) A municipality that accepts a grant under this section for
25 school construction or repair must comply with the provisions of
26 AS 14.11.015.

27 * Sec. 10. (a) The amendments to AS 14.11.100(j) provided for in sec.
28 5 of this Act apply only to school construction projects approved by the
29 commissioner of education after the effective date of this Act.

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(b) The requirement of AS 14.11.102, added by sec. 7 of this Act, that requests for an allocation of funds under AS 14.11.100 be submitted by October 15 of the fiscal year before the fiscal year for which the request is made, does not apply to requests for fiscal years 1986 and 1987.

would have to be in by Oct 15

* Sec. 11. AS 14.11.105, 14.11.110, 14.11.115, 14.11.120, 14.11.125 and 14.11.130 are repealed.

* Sec. 12. Sections 2 - 8, 10, and 11 of this Act take effect July 1, 1985.

* Sec. 13. Sections 1 and 9 of this Act take effect July 1, 1986.

CSHB 191 (FIN)
State Aid for School Construction

The April 25 Committee Substitute:

Section 1: Sets out the eligibility requirements a district must meet to receive a grant for school construction.

(a) A district must:

- agree to an appropriately-sized facility
- and
- demonstrate to the commissioner the need for the project by a projected long-term student enrollment that indicates that without the construction the school district will have and will continue to have unhoused students,
- or
- have inadequate facilities to meet present or projected programs needs;
- or
- need more than \$25,000 to meet health and safety regulations or building codes.

(b) Existing law defines what grant funds may or may not be used for.

(c) Requires municipalities to apply the interest earned on a grant to the project for which the grant was made. Excess funds are to be returned to the state.

NOTE: The new criteria does not become effective until July 1, 1986. (Section 13)

Section 2. Amends the existing school construction debt retirement program by raising the percent of state contribution from 50% to 80% of a municipality's bonded indebtedness authorized after June 30, 1983. This also applies to cash payments.

NOTE: Three school districts, Mat-Su, Kenai and Wrangell, sold bonds for school construction after 1983 when debt reimbursement was at 50%. Under this bill they will be reimbursed at 80% for payments made after the effective date of this Act, July 1, 1985. They will not receive retroactive funds for payments already made at the 50% level.

Section 3. Existing law defining restrictions on reimbursable funds.

Section 4. Existing law.

Section 5. Sets out the requirements a municipality must meet before debt may be retired for 80 percent.

Current law:

- (j) The Commissioner of Education must approve the project before the local vote on the bond issue

In approving the project, the commissioner must require:

- (1) the municipality to include the estimated costs on the ballot,
- (2) that the bonds are not refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue
- (3) and provide for repayment of the bonds over a period of at least 10 years

Added by CS

- (4) The district must demonstrate the need for the project based on housing and program needs or the need for repair or replacement to meet health and safety laws, regulations or building codes.
- (5) The municipality must agree to an appropriately sized facility as determined by the state board of education.

NOTE: These requirements do not apply to projects that have received approval before the effective date of this act. (Section 10(a))

Section 6. Requires municipalities to apply the interest on the investment of the bond proceeds to the cost of the bonded project.

Section 7. Requires that application for reimbursement be made no later than October 15 of the fiscal year before the year for which the request is made.

NOTE: Districts which make requests for funding for FY 86 and FY 87 do not have to meet the deadline, but they still have to meet the new criteria. (Section 10(b))

Section 8. Redefines "school district" to include both municipal districts and REAAs.

Section 9. A municipality which accepts a grant for school construction or repair must comply with the new criteria established in Sec. 1. (Does not become effective until July 1, 1986. Section 13).

SCHOOL DEBT RETIREMENT
HISTORY OF APPROPRIATIONS

<u>FISCAL YEAR</u>	<u>TOTAL MAXIMUM ENTITLEMENT</u>	<u>APPROPRIATION AMOUNT-ACTUAL</u>	<u>% OF TOTAL MAXIMUM ENTITLEMENT</u>
FY 70	2,445,197	1,800,000	74.00
FY 71	2,448,347	1,800,000	73.52
FY 72	2,376,209	2,376,209	100.00
FY 73	3,575,355	3,450,000	96.49
FY 74	7,074,380	5,752,000	81.31
FY 75	7,650,530	7,423,300	97.03
FY 76	9,242,310	8,810,500	95.33
FY 77	10,107,336	9,051,600	89.55
FY 78	11,408,304	11,408,304	100.00
FY 79	27,868,182	22,273,300	79.92
FY 80	30,823,133	24,081,000	78.13
FY 81	38,380,134	38,380,134	100.00 (8130.2 supplement)
FY 82	38,262,156	38,262,156	100.00
FY 83	43,780,962	36,203,300	<u>82.69</u>
FY 84	93,750,000	93,750,000	100.00(est.)
FY 85	95,000,000	95,000,000	100.00(est.)
FY 86	Governor is requesting 100,700,000		

ANCHORAGE SCHOOL DISTRICT
DEBT RETIREMENT

<u>YEAR</u>	<u>ENTITLEMENT</u>	<u>PAYMENT</u>	<u>DIFFERENCE</u>	<u>PERCENT</u>
80	12,465,946	9,739,183	2,726,763	78.13
81	11,446,309	11,446,809		100.0
82	9,914,812	9,914,812		100.0
83	15,949,743	14,272,757	1,676,986	89.49
84	18,552,237	18,552,237		100.0
85	17,368,913	17,368,913		100.0
86	21,783,662			

Break-out for FY 86:

Pre-1977 debt --	9,699,366	Entitlement --	9,699,366	100%
Pre-1982 debt --	1,586,550	Entitlement --	1,427,895	90%
Pre-1983 debt --	9,464,062	Entitlement --	8,517,656	90%
Cash payments --	6,415,566	Entitlement --	3,207,783	50%
TOTAL	27,165,544		22,852,708	
Less Cigarette Tax			1,069,038	
TOTAL ENTITLEMENT			21,783,662	

SCHOOL DEBT RETIREMENT
HISTORY OF APPROPRIATIONS
BY SCHOOL DISTRICT

FISCAL YEAR	70	71	72	73	74	75	76	77	78	79	80	81	82	83
ANCHORAGE	1036.5	1036.5	1239.8	1696.7	2586.2	3669.7	4649.9	4866.9	5598.8	9944.2	9739.2	11446.8	9914.8	10600.5
BRISTOL BAY	25.1	25.1	28.8	51.5	134.4	104.3	87.6	74.5	81.7	115.7	66.7	83.9	18.0	248.4
CORDOVA	20.4	20.5	12.0	18.0	16.0	16.9	30.3	25.6	55.7	88.8	79.8	100.2	107.6	92.0
CRAIC													56.2	289.8
DILLINGHAM					48.6	44.7		11.5			52.5	25.8		
FAIRBANKS	324.5	324.5	463.4	554.6	682.9	1077.9	1039.3	548.4	878.7	3423.5	2950.0	4682.8	4264.6	3957.9
GALENA									86.7	41.5		19.6		38.9
HAINES						10.1	19.7	27.4	32.3	59.2	62.3	79.3	76.8	70.3
HOONAH														
HYDABURG														
JUNEAU	204.8	204.8	235.3	259.4	363.4	470.2	480.0	461.3	527.0	951.5	906.1	750.6	716.1	596.4
KAKE									28.8	20.2	17.8			
KENAI	37.8	37.8	341.9	540.2	986.3	871.7	1271.0	1619.2	1605.5	2935.9	2752.3	5137.6	5305.0	4976.8
KETCHIKAN	59.9	59.9	23.3	184.3	236.9	300.1	200.7	286.9	262.9	445.9	474.4	633.0	829.5	579.1
KING COVE											45.7			
KLANOOCK							17.8	19.3						
KODIAK	20.1	20.1		8.5	168.6	223.0	215.7	157.4	173.7	284.0	317.6	616.1	634.5	409.5
MAT-SU	22.9	22.9			353.4	432.8	498.6	486.8	905.9	1702.4	2013.8	3366.6	3886.1	3649.2
NENANA	5.2	5.2		3.9	10.7	18.8	15.0	16.9	8.8	17.6	16.6	37.0	12.5	10.2
NONE							46.3	10.4			.2			22.9
NORTH SLOPE								55.2	787.5	1427.6	2385.4	8874.4	9197.7	9635.0
PELICAN														
PETERSBURG	22.1	22.1	29.3	61.1	63.3	78.6		62.4	64.9	272.2	268.7	417.2	491.7	539.3
SAND POINT														
SITKA	20.6	20.6	10.5	71.2	83.5	98.6	118.5	154.9	248.4	339.5	430.3	400.9	657.7	658.4
SKAGWAY				.5	5.5	5.8	5.0	4.5	3.8	12.1	14.7	14.6	16.2	23.0
ST. MARY'S									48.9	76.6		44.0		
TANANA														
UNALASKA								17.8		1.1				
VALDEZ					12.2			51.7	13.7	103.0	1484.2	1604.5	1993.9	2510.0
WRANGELL								11.7		10.8	2.5	45.3	82.8	
YAKUTAT							48.1	61.9						58.9



KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

STAN THOMPSON
MAYOR

March 7, 1985

The Honorable Sam Cotten
Pouch V
Juneau, AK 99811

Dear Representative Cotten:

We in the Kenai Peninsula Borough, by resolution of the borough assembly, strongly support 90% funding for new school construction. We feel that in light of the constitutional requirements this should be done. Furthermore, in our area, as well as the Mat-Su area, we've had such a tremendous increase in growth and such a demand for new school facilities that it puts a strong strain on our local citizenry. As you are probably aware, our area population has increased by over 54% in the last four years. The State does receive the oil revenues - the borough does not receive them. We feel this is a very necessary position for the State to take to fund our local schools, at least to the 90% level.

The 90% funding of our schools is our first priority of all of our capital improvements. Please consider it.

Thank you,

Stan Thompson
Kenai Peninsula Borough Mayor

ST:lc

documents must be submitted to the commissioner at least 15 working days before the bid invitation is made; and

(2) if the project will not be advertised for bids, the final working documents must be submitted to the commissioner no later than 10 working days before commencing each construction phase.

b) The commissioner's approval under this section is void after two years unless construction of the project has been initiated within that time. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.020
AS 14.11.100

4 AAC 31.050. APPROVAL OF PURCHASE OF NONSCHOOL FACILITIES. A regional school board proposing to purchase an existing facility for temporary use as an elementary or secondary school with money granted under AS 14.11.020, and a municipality that is a school district proposing to make such a purchase for which state aid under AS 14.11.100 will be sought, must secure the approval of the commissioner before acquisition of the facility. (Eff. 3/1/78, Reg. 65; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.010
AS 14.11.020
AS 14.11.100

4 AAC 31.060. STATE FINANCIAL ASSISTANCE. (A municipality that is a school district, or a regional school board, submitting a capital improvement program request for construction to the department under AS 14.11.010 shall make the request on a form prescribed by the commissioner.

(b) A municipality that is a school district, or a regional school board, requesting a school construction grant from the department under AS 14.11.020 shall apply on a form prescribed by the commissioner. In accepting a school construction grant from the department, the grantee shall comply with all pertinent state statutes, codes, standards, and regulations related to construction of a public facility. Further, the

grantee shall comply with conditions, requirements, and stipulations in the forms prescribed by the commissioner for the construction grant contract.

(c) A school facility for which state aid is sought under AS 14.11.100 may be built jointly with municipal and state offices, health clinics, community libraries, and other spaces if approved by the commissioner as to compatibility and separation of funds. The commissioner has final authority to determine the proportion of space and cost in such jointly built projects.

(d) A claim for state aid for school construction under AS 14.11.100 by a municipality that is a school district must be made on a form prescribed by the commissioner. All claims for expenditures for school construction commenced before January 1, 1982 or existing facilities approved for purchase by the commissioner before January 1, 1982 must be supported by a certified audit report of the school district prepared in accordance with 4 AAC 06.120, and by a certified audit report of all school construction accounts or money used by the municipality. If an audit report is not prepared in sufficient detail to identify clearly school construction costs as opposed to other construction or maintenance costs, or debt service costs of school construction as opposed to other debt service costs, detailed expenditure schedules that reconcile to audit report figures must be prepared and submitted with the claim.

(e) A claim for state aid under AS 14.11.100 (a)(4)(A) must be submitted on a form prescribed by the commissioner, and must be received by the department not later than September 15 of the fiscal year preceding the fiscal year in which reimbursement will be sought. A school district's claim must contain at least the following:

(1) bond sale date or proposed bond sale date;

(2) bond redemption schedule;

(3) education facility portion of the bond;

(4) department's project approval number;

(5) debt payment schedule or estimated debt service schedule; and

(6) certification as to accuracy of claim by a bonded official of the municipality.

(f) State aid to eligible municipalities will be calculated on the basis of applications received by the deadline imposed by this section and will be issued upon receipt of a notice of payment by the municipality from the bond holder or paying agent.

(g) Only cash disbursements from locally generated revenues are eligible for reimbursement under AS 14.11.100.

(h) Unless a claim is supported by financial schedules or prior year audit reports identifying the original source of revenue, only disbursements from revenues generated in the year for which the claim is made are eligible for reimbursement.

(i) Reimbursement for rehabilitation costs under AS 14.11.100 is limited to projects exceeding \$25,000. (Eff. 3/1/78, Reg. 65; am 2/24/83, Reg. 85; am 12/2/83, Reg. 88)

Authority: AS 14.07.020(10) and (11)
AS 14.07.060
AS 14.11.010
AS 14.11.100

4 AAC 31.065. SELECTION OF PRIME DESIGNER. If a school district or a regional school board determines that it is necessary to engage the services of a private consultant to design an educational facility funded under AS 14.11.020, the selection of the consultant must be accomplished under procedures that comply with AS 36.98. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.060
AS 14.11.020

4 AAC 31.070. REIMBURSEMENT OF RESTRUCTURED OR REFINANCED INDEBTEDNESS. (a) Reimbursement under AS 43.18.100 for payment of restructured or refinanced school construction indebtedness may not exceed the amount which would have been payable on the indebtedness in the year for which reimbursement is claimed had the indebtedness not been restructured or refinanced.

(b) This section applies to bonds, notes, and other indebtedness restructured or refinanced after December 30, 1982. (Eff. 12/30/82, Reg. 85)

Authority: AS 14.07.020
AS 43.18.100

4 AAC 31.080. CONSTRUCTION OF PUBLIC SCHOOL FACILITIES. (a) The construction of all public educational facilities by a municipality that is a school district or by a regional school board under AS 14.11.020 must be performed under bid contract in accordance with AS 35.15.010. However, when the estimated cost of the construction project is less than \$100,000 or when it appears to be in the best interests of the state, the school district or regional school board may, in its discretion, and with the prior approval of the commissioner, construct the public educational facility itself using its own employees.

(b) The grantee shall provide a procedure for the administrative review of complaints filed by aggrieved bidders which allows aggrieved bidders to appeal, within five days after the award, for a hearing, with notice to all interested parties, for a redetermination and final award in accordance with law.

(c) The award of a contract for the construction of an educational facility funded under AS 14.11.020 must be to the lowest responsible bidder without regard to municipal ordinances or school board resolutions granting a preference to local bidders. (Eff. 12/2/83, Reg. 88)

Authority: AS 14.07.060
AS 14.11.020

4 AAC 31.090. DEFINITIONS. As used in this chapter and in AS 14.07, AS 14.08, and AS 14.11, unless the context requires otherwise

(1) "addition" means new space for expanded educational programs or new programs or space that replace substandard or destroyed space, by connection to an existing school facility; the term includes capital equipment;

(2) "capital equipment" means built-in and movable equipment used to furnish a newly constructed or rehabilitated space; it includes first-time purchase of library books, reference

SCHOOL DEBT RETIREMENT
AS 14.11.100

YEAR DEBT INCURRED	PROVISIONS	PERCENT REIMBURSABLE	LIMITATIONS
Prior to 7/1/77	Payments made by the municipality during the fiscal year two years before the current fiscal year for the retirement of principal & interest on outstanding bonds, notes or other indebtedness to pay costs of school construction.	100% (Was changed from 50% to 100% in 1977)	
After 6/30/77 Before 7/1/78		90% (Was changed from 80% to 90% in 1982)	
After 6/30/78 Before 1/1/82		90%	Subject to approval by the Department of Education under AS 14.07.020(11).
After 12/31/81 Voter approved before 7/1/83	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.	up to 90%	Subject to approval by the Department of Education under AS 14.07.020(11). (h) Reimbursements for school construction begun after July 1, 1982 will exclude costs of construction for residential space, hockey rinks, planetariums, saunas and other facilities for single purpose sporting or recreational uses that are not suitable for other activities.
After 6/30/82 Before 7/1/83	Cash payments made 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.	up to 90%	

*Also subject to (i); see definitions and further provisions

Also excluded is the difference between the amount of money used to construct a swimming pool that is competition size and the amount that would have been used to construct a small pool, tank or water storage facility.*

SCHOOL DEBT RETIREMENT

YEAR DEBT INCURRED	PROVISIONS	PERCENT REIMBURSABLE	LIMITATIONS
Submitted to DOE for approval before 7/1/83 Voter approved before 9/15/83	Payments made by the municipality during the current fiscal year for the retirement of principal & 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.	up to 90%	Subject to approval under AS 14.07.020(11). Subject to (h) and (i). Not to exceed a total project cost of: --\$6,600,000 if the annual growth rate of ADM of the muni is more than 7% but less than 12%; --\$20,000,000 if the annual growth rate of ADM of the muni is 12% or more. Payments that exceed these amounts may be reimbursed at 50% if they were authorized by the voters after June 30, 1983.
Voter approved after 6/30/83	Payments made by the municipality during the 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.	50%	Subject to approval under AS 14.07.020(11). Subject to (h) and (i).
After 6/30/83	Cash payments made by the municipality during the fiscal year two years before the current fiscal year to pay costs of school construction, additions to schools and major rehabilitation projects that exceed \$25,000.	50%	

SCHOOL DEBT RETIREMENT
Definitions and Provisions

DEFINITIONS:

Cash payments: Payments made for school construction by the municipality from locally generated revenues.

Voter approved: Indebtedness approved by the qualified voters of the municipality.

Provisions:

(i)

- (1) an indebtedness for bonds is incurred after the bonds are sold;
- (2) reimbursement for a cash payment may only be made after the payment is made to a vendor; and
- (3) payments may not be made for costs that are incurred under a contract after the contract has been released.

AS 14.07.020(11)

The Department of education shall review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction project begun after July 1, 1978; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, and final contract documents.

Cigarette tax money provided to boroughs or cities in the second preceding fiscal year is offset against the amount of reimbursement authorized.

(4) provide to the legislature within the first 10 days of each regular session a summary of the projects requested by each assembly, council, or regional school board.

(c) In establishing priorities among requested projects the department shall evaluate at least the following factors:

- (1) priorities assigned by the assembly, council, or school board to the projects requested;
- (2) emergency requirements;
- (3) the number of students without classroom space;
- (4) new local elementary or secondary programs;
- (5) existing regional, community, and school facilities and the condition of the facilities;
- (6) the economic and social stability of the municipality or region.

(d) The provisions of this section do not affect a municipality's eligibility for reimbursement under AS 14.11.100. (§ 3 ch 92 SLA 1982)

Editor's notes. — This section is set out above to correct a minor error in the title pamphlet.

Sec. 14.11.100. State aid for retirement of school construction debt. (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(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(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 exceed \$25,000 and are approved under AS 14.07.020(11); and

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(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 of Education for approval under AS 14.07.020(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) \$5,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (h)(5)(A) of this section.

(5) subject to (h) and (i) of this section, 50 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 after June 30, 1983 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

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

(b) The commissioner shall administer the program of reimbursement authorized under this section and shall provide by regulation for the filing of applications for reimbursement, the form of proof of costs for which application for reimbursement is made, and other regulations necessary to administer the program. The commissioner shall exclude from the total school construction cost of the local district all state and federal funds included in these costs except funds provided under this section and AS 43.50.140. In approving applications for reimbursement, the commissioner shall

(1) offset against the amount of reimbursement authorized the amount of any funds distributed to the borough or city in the second preceding fiscal year from the school fund provided for in AS 43.50.140;

(2) *[Repealed, § 10 ch 92 SLA 1982.]*

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments.

(d) Money in the school construction account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this section reverts to the general fund.

(e) The commissioner shall annually provide a report to the legislature on allocations of state aid made under this section, including but not limited to, the amount of state aid paid on a per capita and per student basis and the resultant effect on the rate of levy of taxes by the municipality for educational purposes.

(f) *[Repealed, § 17 ch 147 SLA 1978.]*

(g) *[Repealed, § 47 ch 6 SLA 1984.]*

(h) An allocation under (a)(4) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of money used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. An allocation under (a)(4) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that is competition size or larger and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner.

(i) For the purposes of (a)(4) of this section

(1) an indebtedness for bonds is incurred after the bonds are sold;

(2) reimbursement for a cash payment may only be made after the payment is made to a vendor; and

(3) payments may not be made for costs that are incurred under a contract after the contract has been released.

(j) The state may not allocate money to a municipality for a school construction project under (a)(5) of this section unless the project is approved by the commissioner before the local vote on the bond issue for the project. In approving a project under this subsection, the commissioner shall require

(1) the municipality to include on the ballot for the bond issue the estimated total cost of each project and the estimated amounts that will be paid by the state and by the municipality;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximate equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by factors such as increased enrollment in the school district, the health and safety of the students, and the factors listed in AS 14.11.010(c). (§ 1 ch 249 SLA 1970; am § 1 ch 93 SLA 1971; am § 2 ch 137 SLA 1972; am § 1 ch 28 SLA 1973; am § 17 ch 127 SLA 1974; am §§ 1 — 3 ch 120 SLA 1977; am §§ 12, 17 ch 147 SLA 1978; am § 25 ch 168 SLA 1978; am §§ 8 — 10 ch 92 SLA 1982; am §§ 1 — 3 ch 82 SLA 1983; am § 47 ch 6 SLA 1984)

Revisor's notes. — Enacted as AS 43.18.100. Renumbered in 1983.

Cross references. — For present provisions of former subsection (g) of this section, see AS 14.11.135(i).

Effect of amendments. — The 1982 amendment, substituted "a municipality that" for "an organized borough or a city which" in the introductory language of subsection (a), substituted "the municipality" for "the borough or city" in paragraphs (1), (2)(A) and (B), and (3)(A) and (B), substituted "90 percent" for "80 percent" in the introductory language of paragraphs (2) and (3), inserted "and before January 1, 1982" in paragraph (3)(A) and (B), and added paragraph (4). The amendment also repealed paragraph (2) of subsection (b), which read "required the borough or city to provide, with its application, a certified copy of the notice to

taxpayers required by AS 43.18.030," and added subsections (h) and (i).

The 1983 amendment, effective July 20, 1983, in paragraph (a)(4), inserted "up to" in the introductory language, inserted "and authorized by the qualified voters of the municipality before July 1, 1983" in (A), inserted "and before July 1, 1983" in (B), added "and" to the end of (B), and added (C). The amendment also added paragraph (a)(5) and subsection (j).

The 1984 amendment, effective February 14, 1984, repealed former subsection (g), which defined "commissioner" and "cost of school construction."

Legislative history reports. — For report on ch. 28, SLA 1973 (HCSSB 114), see 1973 Senate Journal, p. 312. For report on ch. 127, SLA 1974 (SCSIB 817 am S), see 1974 House Journal, p. 657.

Sec. 14.11.105. Public school facilities construction advance account. The public school facilities construction advance account is established. The account consists of appropriations for distribution under AS 14.11.105 — 14.11.135 to boroughs and cities which are school districts to assist in paying the costs of public school facilities projects approved under AS 14.07.020(11) for which construction is commenced after June 30, 1978 and for which no bonding, notes, or other indebtedness was incurred before July 1, 1978. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.105. Renumbered in 1983.

Sec. 14.11.110. Eligibility. Eligibility of a proposed construction project for funding assistance under AS 14.11.105 — 14.11.135 shall be determined by the department based on standards and criteria established by regulation. The standards and criteria to be considered in determining eligibility include the following:

Chapter 03. Public Schools Generally.

Section 1

30. School term

Sec. 14.03.030. School term. The school term begins and ends on the dates fixed by the governing body of the school district. However, the term shall include not less than 180 days in session, except that, subject to the approval of the commissioner

(1) a day used for in-service training of teachers may be substituted for a day in session, up to a maximum of 10 days; and

(2) an "emergency closure day" may be substituted for a day in session because of conditions posing a threat to the health or safety of students. (§ 1 ch 98 SLA 1966; am § 1 ch 65 SLA 1972; am § 1 ch 137 SLA 1976; am § 1 ch 24 SLA 1979); am § 1 ch 61 SLA 1983)

Effect of amendments. — The 1983 amendment deleted the paragraph (1) designation, made a related word change in that paragraph, and added paragraph (2).

Chapter 07. Administration of Public Schools.

Article

1. Department of Education (§§ 14.07.020, 14.07.058)

Article 1. Department of Education.

Section

20. Duties of the department

60. Alaska School Activities Association

Sec. 14.07.020. Duties of the department. (a) The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of the public schools;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools;

(5) establish, in coordination with the Department of Health and Social Services, a program for the continuing education of children who are held in detention facilities in the state during the period of detention;

(6) accredit those public schools which meet accreditation standards prescribed by regulation by the department; these regulations shall be adopted by the department and presented to the legislature during the

first 10 days of any regular session, and become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house;

(7) prescribe by regulation, after consultation with the state fire marshal and the state sanitarian, standards in addition to the requirements of AS 18.15.145 that will assure healthful and safe conditions in the public and private schools of the state including a requirement of physical examinations and immunizations in pre-elementary schools; the standards for private schools may not be more stringent than those for public schools;

(8) exercise general supervision over pre-elementary schools that receive direct state or federal funding;

(9) provide accredited elementary and secondary correspondence study programs available to any Alaskan through a centralized office of correspondence study;

(10) accredit private schools which request accreditation and which meet accreditation standards prescribed by regulation by the department; nothing in this paragraph authorizes the department to require religious or other private schools to be licensed;

(11) review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction project begun after July 1, 1978; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, and final contract documents;

(12) provide educational opportunities in the areas of vocational education and training, basic education, and fire-service training to individuals over 16 years of age who are no longer attending school;

(13) administer the grants awarded under AS 14.11.020.

(b) In this section "pre-elementary school" means a school for children ages three through five years if the school's primary function is educational. (§ 1 ch 98 SLA 1966; am § 2 ch 69 SLA 1971; am § 6 ch 104 SLA 1971; am § 1 ch 190 SLA 1975; am § 6 ch 50 SLA 1977; am §§ 1-3 ch 126 SLA 1978; am § 10 ch 147 SLA 1978; am § 1 ch 86 SLA 1978; am § 24 ch 59 SLA 1982; am §§ 1, 2 ch 92 SLA 1982; am § 2 ch 11 SLA 1984; am § 1 ch 32 SLA 1984)

Effect of amendments. — The first 1984 amendment designated the previously undesignated introductory language as subsection (a) and added subsection (b). The 1984 amendment also, in subsection (a), substituted "state fire marshal and the state sanitarian" for "Department of Health and Social Services" and inserted

"including a requirement of physical examinations and immunizations in pre-elementary schools" in paragraph (7); in paragraph (8), deleted "in cooperation with the Department of Health and Social Services" at the beginning and substituted "pre-elementary schools that receive direct state or federal funding" for "public

STATE OF ALASKA
DEPARTMENT OF EDUCATION

Chapter 249 Debt Service Payments 1970

Municipality	Debt Service Payments	Cigarette Tax	Net Payments	50% Entitlements	1st Payment	Final Payment	Total Payments	Balance Entitlement
Anchorage	3406508	390475	2816033	1408017	709121	327414	1036535	371482
Bristol Bay	79263	11246	68117	34059	17030	8043	25073	8986
Cordova	77119	16533	55586	27793	13897	6564	20461	7332
Fairbanks	1055502	173611	881891	440845	220423	104112	324535	116310
Juneau	650642	94415	556227	278214	139107	65705	204812	73402
Kenai	207582	101749	102633	51317	25659	12119	37778	13539
Ketchikan	232939	70132	162807	81404	40702	19225	59927	21477
Kudlak	109538	54520	54538	27284	13642	6444	20086	7198
Med-Suo	113775	51451	62327	31164	15582	7360	22942	8222
Nenana	21100	9401	14699	7050	-	5190	5190	1860
Petersburg	80256	20163	60043	30122	16741	5360	22101	8021
Sitka	103978	48122	55856	27928	13964	6596	20560	7363
Total	6131805	1241418	4890197	2445197	1225866	574132	1800000	645197

*Fairbanks
Kenai*

*12000
205822**

*Entitlements for 1970
" " "*

** P.D. from Alaska...*

DEBT SERVICE WITHOUT CREDIT FOR CASH

PAYMENTS

74-91

District	Debt Service Payments	Cash Payments	Cigarette Tax	Net Payment	50% Entitlement	Prorata Entitlement	Payment	0 Pay
Anchorage	3,406,517		590,475	2,816,042	1,408,021	1,035,164	1,036,535	1
Crystal Bay	79,363		11,246	68,117	34,059	25,040	25,073	
Goodena	72,119		16,533	55,586	27,793	20,433	20,461	
Fairbanks	1,061,792		173,611	888,181	444,091	326,491	324,535	1
Juneau	650,842		94,415	556,427	278,214	204,540	204,812	
Kenai	203,982		101,349	102,633	51,317	37,728	37,778	
Ketchikan	232,939		70,132	162,807	81,404	59,847	59,927	
Kodiak	109,088		54,520	54,568	27,284	20,059	20,036	
Mat-Sus	113,778		51,451	62,327	31,164	22,911	22,942	
Metana	23,500		9,401	14,099	7,050	5,183	5,190	
Petersburg	80,206		20,163	60,043	30,022	22,072	22,101	
Sitka	103,978		48,122	55,856	27,928	20,532	20,560	
TOTAL					<u>2,448,347</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>3</u>

Additional amounts paid - credit for cash payments

		<u>Annual Pay.</u>	<u>Interest</u>	<u>Total</u>	<u>50% Entitlement</u>
Fairbanks	900,000	90,000	54,000	144,000	72,000
Kenai	2,572,776	257,278	154,366	411,644	205,822
Total					<u>277,822</u>

} (Handwritten notes)

State of Alaska
 Department of Education
 CHAPT. 249, STATE AID FOR RETIREMENT
 OF SCHOOL CONSTRUCTION DEBT

8/21/72
 Supervisor's report
 dated 2/7/72

Dist.	Debt Service 1969-70	Cig. Tax Incl. in Debt Serv.	Net Debt Serv.	1968-69 Cash Payments	1969-70 Cash Payments	1/10 of 68-69 Cash @ 6% Int.	1/10th of 69-70 Cash @ 6% Int.	Debt Service @ 50%	Cig. Tax FY-71	FY-72
										Entire
Adak	4,302,729	568,375	3,734,354	--	163,888	--	26,221	1,880,227	640,440	1,239,807
Al. Bay	82,200	9,501	78,699	--	--	--	--	39,349	10,554	28,795
Barrow	69,847	14,916	54,931	--	--	--	--	27,465	13,475	11,990
Bellevue	1,150,643	158,695	991,948	1,139,311	868,862	176,889	139,018	653,927	157,598	463,369
Chena	736,219	85,530	650,689	--	--	--	--	325,344	97,638	235,306
Central	452,505	105,278	347,227	2,572,775	1,113,539	396,208	178,166	469,851	118,273	341,868
Chitina	241,918	62,484	179,434	--	--	--	--	89,717	66,737	23,070
Colville	106,562	49,058	57,504	--	--	--	--	28,752	50,882	--
Dot Lake	111,781	44,256	67,525	--	--	--	--	33,762	50,316	--
Edna	22,550	8,630	13,920	--	--	--	--	6,950	9,610	--
Etah	103,969	7,963	96,006	--	--	--	--	48,003	18,722	29,281
Etika	157,259	43,951	113,316	--	--	--	--	56,658	46,135	10,503
Etivak	3,850	32,500	--	--	--	--	--	--	8,322	--
								3,651,078	1,324,522	2,376,259
				1966-67 Cash Payments		1/10 of 1966-67 Cash @ 6% Int.				
Etivak Bay					103,773		15,383.89	7,692		7,692
								3,658,767	1,324,522	2,383,951

Stat. . Alaska
 Department of Education
 CHAPT. 249, SLA 1970

4/19/73

STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 Final Payment FY -73

	Debt Service 1970-71	Credit for Cash Paymts.	Total Debt Service	Debt Service @ 50/75%	Cigarette Tax 1970-71	PY-73 Entitlement	Prorated Entitlement @ 96.4939%	Advance Payment	Balance of Entit- ment Pay
Anchorage	4,788,358	25,238	4,813,596	2,406,798	648,480	1,758,318	1,696,669	637,500	1,059,16
Bristol Bay	91,535	35,312	127,847	63,923	10,554	53,369	51,498	23,762	27,73
Cordova	68,325	---	68,325	34,163	15,475	18,688	18,033	5,178	12,85
Fairbanks	1,111,367	419,343	1,530,710	765,355	190,598	574,757	554,605	235,404	319,20
Juneau	717,714	---	717,714	358,857 (18,119*	90,038	268,819	259,394	109,703	149,69
Kenai	686,093	635,107	1,321,200	(660,600	118,923	559,796	540,169	247,149	293,02
Ketchikan	514,992	---	514,992	257,496	56,447	191,049	184,351	78,165	106,19
Kodiak	96,939	21,932	118,921	59,461	50,692	8,769	8,462	---	8,46
Mat-Su	84,119	2,376	86,495	43,248	50,516	---	---	---	---
Metana	22,400	3,899	26,299	13,150	9,063	4,087	3,944	---	3,94
Petersburg	103,600	57,586	164,186	82,093	18,722	63,371	61,149	26,549	34,50
Sitka	238,706	1,252	239,958	119,979	46,155	73,824	71,236	25,382	45,85
Skagway	17,650	---	17,650	8,830	8,322	508	490	---	49
Valdez	---	5,888	5,888	2,944	10,823	---	---	---	---
Wrangell	22,238	---	22,238	11,119	17,372	---	---	---	---
	8,567,046	1,208,983	9,776,029	4,906,135	1,352,180	3,575,355	3,450,000	1,388,793	2,061,207

*25% Credit for Voc. Ed. Construction

State of Alaska
 Department of Education
 CHAPT. 249, STATE AID FOR RETIREMENT
 OF SCHOOL CONSTRUCTION DEBT
Advance Payment on FY-73 Entitlement

3/8/73

Dist.	Debt Service 1970-71	Cigarette Tax 1970-71	Net Debt Service	Credit for Cash Payments	Total	Debt Service @ 50/75%	Cigarette Tax 1971-72	Entitlement	Advance Payment
Anchorage	4,788,358	648,480	4,139,878	25,238	4,165,116	2,082,558	682,987	1,399,571	637,500
Bristol Bay	91,535	10,554	80,981	36,312	117,293	58,646	11,122	47,524	23,762
Cordova	68,325	15,475	52,850	----	52,850	26,425	16,068	10,357	5,178
Fairbanks	1,111,367	190,598	920,769	419,343	1,340,112	670,056	199,248	470,808	235,404
Juneau	717,714	90,038	627,676	----	627,676	313,838	94,431	219,407	109,703
Kenai	686,093	118,923	567,170	635,107	1,202,277	601,138	124,958	494,299	247,149
Ketchikan	514,992	66,447	448,545	----	448,545	224,272	67,939	156,333	78,166
Kodiak	96,939	50,692	46,247	21,982	68,229	34,114	65,416	-----	-----
Mat-Su	84,119	50,516	33,603	2,376	35,979	17,989	58,951	-----	-----
Nenana	22,400	9,063	13,337	3,899	17,236	8,618	9,911	-----	-----
Petersburg	106,600	18,722	87,878	57,586	145,464	72,732	19,633	53,099	26,549
Sitka	238,706	46,155	192,551	1,252	193,803	96,901	46,136	50,765	25,382
Skagway	17,660	8,322	9,338	-----	9,338	4,669	8,952	-----	-----
Valdez	-----	10,823	(10,823)	5,888	-----	-----	11,380	-----	-----
Wrangell	22,238	17,372	4,866	-----	4,866	2,433	17,751	-----	-----
Totals	8,567,046	1,352,180	7,214,866	1,208,983	8,428,784	4,232,508	1,434,883	2,902,163	1,388,795

*25% Credit for Voc. Ed. Construction.

State of Alaska
 Department of Education
 CHAPT. 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1973-74

5/16/74

	Debt Service 1971-72	Credit for Cash Paymts. Prior to FY-71	Cash Payments 1971-72	Total Debt Service	Debt Service @ 50/75%	Cigarette Tax 1971-72	Entitlement	Final Entitlement Prorated @ 81.3074%
Anchorage	7,665,050	24,255	38,136	7,727,441	3,863,720	682,987	3,180,733	2,586,171
Bristol Bay	91,538	34,853	226,435	352,826	176,413	11,122	165,291	134,394
Cordova	71,591	--	--	71,591	35,795	16,068	19,727	16,040
Dillingham	--	--	129,750	129,750	64,875	13,186	59,798	48,621
Fairbanks	1,072,120	402,962	603,147	2,078,229	1,039,115	199,248	839,867	682,874
Juneau	669,073	--	412,940	1,082,813	541,406	94,431	446,975	363,424
Kenai	1,211,319	609,883	819,933	2,641,135	1,320,567	124,958	1,213,046	986,297
Ketchikan	718,618	--	--	718,618	359,309	67,939	291,370	236,906
Kodiak	96,694	21,158	427,647	545,499	272,750	65,416	207,334	168,578
Mat-Su	884,032	2,287	100,864	987,183	493,591	58,951	434,640	353,395
Menana	22,100	3,753	20,362	46,215	23,107	9,911	13,196	10,730
Petersburg	124,100	55,426	15,411	194,937	97,468	19,633	77,835	63,286
Sitka	284,476	1,204	--	285,680	142,840	46,136	102,746	83,540
Skagway	31,465	--	--	31,465	15,732	8,952	6,780	5,513
Valdez	--	5,667	48,178	53,845	26,422	11,380	15,042	12,231
Wrangell	22,350	--	--	22,350	11,175	17,751	--	--
	<u>12,964,526</u>	<u>1,161,448</u>	<u>2,842,803</u>	<u>16,969,577</u>	<u>8,515,873</u>	<u>1,448,069</u>	<u>7,074,380</u>	<u>5,752,000</u>

*25% added for Voc. Ed. facilities.

State of Alaska
 Department of Education
 Chapt. 249, SLA 1970

3/12/75

STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1974-75

	Debt Service 1972-73	Credit for Cash Paymts. Prior to FY 72	Cash Payments 1972-73	Total Debt Service	Debt Service @50/75%	Cigarette Tax 1972-73	Entitlement	Final Entitlement Prorated @97.0299%	Final Entitlement
Anchorage	8,980,767	23,271	20,910	9,024,948	4,512,474	730,430	3,782,044	1,891,022	1,778,0
Bristol Bay	155,066	33,393	49,973	238,432	119,216	11,721	107,495	53,747	50,0
Cordova	69,971	--	--	69,971	34,985	17,595	17,390	8,695	8,1
Dillingham	--	--	108,317	108,317	54,158	14,884	46,044	23,022	21,0
Fairbanks	1,034,505	386,582	1,213,991	2,635,078	1,317,539	206,622	1,110,917	555,458	522,0
Haines	51,349	--	--	51,349	25,674	15,264	10,410	5,205	4,8
Juneau	874,944	--	295,842	1,170,786	585,393	100,779	484,614	219,757	250,0
Kenai	1,293,712	585,658	139,265	2,018,635	1,009,317	127,688	898,383	449,196	422,5
Ketchikan	765,624	--	--	765,624	382,812	73,472	309,340	154,670	145,0
Kodiak	182,050	20,334	392,122	594,506	297,253	67,427	229,826	114,913	108,0
Mat-Su	877,766	2,198	144,345	1,024,309	512,154	66,075	446,079	223,039	209,7
Nenana	21,800	3,607	33,858	59,265	29,632	10,200	19,432	9,716	9,1
Petersburg	136,231	53,265	14,828	204,324	102,162	21,201	80,961	40,480	38,0
Sitka	283,921	1,159	--	285,080	142,540	49,031	101,610	50,805	47,7
Skagway	30,700	--	--	30,700	15,350	9,365	5,985	2,992	2,8
TOTALS	14,758,406	1,109,467	2,413,451	18,281,324	9,172,284	1,521,754	7,650,530	3,802,717	3,620,5

*25% added for Voc. Ed. Construction.

97.0299%
 7423300

State of Alaska
 Department of Education
 Chapt. 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1975-76

	Debt Service 1973-74	Credit for Cash Payments Prior to FY 72	Total Debt Service	Debt Service @50/75%	Cigarette Tax 1973-74	Entitlement	1976 Advance Payment	Entitlement Prorated @ 95.3279%	Net Final Payment
Anchorage	11,274,905	22,288	11,297,193	5,648,596	770,776	4,877,820	2,439,156	4,649,923	2,210,767
Bristol Bay	178,165	31,934	210,099	105,049	13,176	91,873	45,936	87,580	41,644
Gordova	100,087	-	100,087	50,043	18,299	31,744	15,872	30,260	14,388
Craig	10,899	-	10,899	5,449	8,235	-	-	-	-
Dillingham	355	-	355	177	19,326	-	-	-	-
Fairbanks	2,215,399	370,203	2,585,602	1,292,801	202,606	1,090,195	545,097	1,039,264	494,167
Haines	72,828	-	72,828	36,414	15,707	20,707	10,353	19,739	9,386
Hoonah	18,450	-	18,450	9,225	12,839	-	-	-	-
Hydaburg	4,854	-	4,854	2,427	4,854	-	-	-	-
Juneau	1,229,780	-	1,229,780	614,890	111,314	503,576	251,788	480,048	228,260
				16,077 *					
Kenai	2,316,598	559,162	2,875,760	1,437,880	120,609	1,333,348	666,674	1,271,054	604,380
Ketchikan	574,372	-	574,372	287,186	76,691	210,495	105,247	200,660	95,413
Klawock	47,426	-	47,426	23,713	5,001	18,712	9,356	17,837	8,481
Kodiak	558,340	19,509	577,849	288,924	62,659	226,265	113,132	215,693	102,561
Mat-Sus.	1,184,910	2,000	1,186,910	593,455	70,394	523,061	261,530	498,623	237,093
Nenana	47,951	3,500	51,451	25,725	9,952	15,773	7,886	15,036	7,150
Nome	148,245	-	148,245	74,122	25,590	48,532	24,266	46,264	21,998
Petersburg	132,888	51,250	184,138	92,069	21,880	70,189	35,094	66,909	31,815
				6,000 *					
Sitka	332,230	1,050	333,280	166,640	48,373	124,267	62,133	118,461	56,328
Skagway	29,894	-	29,894	14,947	9,679	5,268	2,634	5,021	2,387
Wrangell	29,280	-	29,280	14,640	20,387	-	-	-	-
				19,278 *					
Yakutat	77,111	-	77,111	38,555	7,346	50,487	45,383	48,128	2,745
TOTALS	20,584,967	1,060,896	21,645,863			9,242,312	4,641,537	8,810,500	4,168,963

* - 25% added for Voc. Ed. Construction.

State of Alaska
 Department of Education
 Chapter 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
 FY 1976-77

2/5/77

	Debt Service 1974-75	Credit for Cash Payments Prior to FY 72	Cash Payments 1974-75.	Total Debt Service	Debt Service @50/75%	Cigarette Tax 1974-75	Entitlement	Advance Payment	Final Entitlement Prorated @89.5547%	Net Final Payment
Anchorage	12,010,341	21,305	477,398	12,509,044	6,254,522	820,018	5,434,504	2,711,925	4,866,856	2,154,931
Bristol Bay	157,450	30,475	1,293	189,218	94,609	11,410	83,199	33,980	74,509	40,529
Cordova	128,645	--	10,339	138,984	69,492	18,294	51,198	25,599	45,850	20,251
Dillingham	--	--	76,686	76,686	38,343	15,312	23,031	11,515	20,625	9,110
Fairbanks	1,248,701	353,823	42,617	1,645,141	822,570	210,199	612,371	207,075	548,407	341,332
Galena	--	--	4,795	4,795	2,397	7,782	-0-	-0-	-0-	-0-
Haines	95,498	--	--	95,498	47,749	17,143	30,606	15,303	27,409	12,106
Hoonah	18,000	--	--	18,000	9,000	12,910	-0-	-0-	-0-	-0-
Juneau	896,040	--	359,896	1,255,936	627,968	112,879	515,089	167,570	461,287	293,717
					15,390					
Kenai	1,167,614	533,926	2,150,293	3,851,833	1,925,916	133,193	1,808,113	762,880	1,619,251	856,371
Ketchikan	612,075	--	185,093	797,168	398,854	78,231	320,353	113,903	286,891	172,988
Klawock	30,802	--	--	30,802	15,401	5,057	10,344	5,172	9,264	4,092
Kodiak	330,070	18,685	130,485	479,240	239,620	63,835	175,785	83,221	157,424	74,203
Mat-Su	1,118,342	2,020	116,848	1,237,210	618,605	75,054	543,551	242,058	486,776	244,718
Kenana	21,200	3,314	31,199	55,713	27,856	8,939	18,917	8,630	16,941	8,311
Nome	--	--	74,493	74,493	37,246	25,590	11,656	-0-	10,439	10,439
North Slope	--	--	146,985	146,985	73,492	11,859	61,633	30,821	55,195	24,374
Petersburg	134,394	48,948	--	183,342	91,671	21,975	69,696	22,611	62,416	39,805
					5,330					
Sitka	365,392	1,065	70,736	437,193	218,596	51,002	172,924	86,196	154,862	68,666
Skagway	28,858	--	--	28,858	14,429	9,353	5,076	2,538	4,546	2,008
Unalaska	--	--	53,907	53,907	26,953	7,048	19,905	9,952	17,826	7,874
					6,880					
Valdez	--	5,005	123,154	128,159	64,079	13,231	57,734	27,616	51,704	24,088
Wrangell	26,960	--	37,899	64,859	32,429	19,907	12,522	-0-	11,214	11,214
					25,724					
Yakutat	6,000	--	96,895	102,895	51,447	8,042	69,129	34,564	61,903	27,344
Total	18,396,382	1,018,566	4,191,011	23,605,959			10,107,336	4,603,129	9,051,600	4,448,471

* 25% added for Voc. Ed. Construction.

State of Alaska
Department of Education
Chapt. 249, SLA 1970

1-17-78

STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
FY 1977-78

	Debt Service 1975-76	Cash Payment 1975-76	Credit for Cash Payment Prior to FY72	Total Debt Service	Debt Service @ 50%/75%	Cigarette Tax 1975-76	Entitlement	Advance Payment 10-5-77	Final Payment
Anchorage	12,016,750	533,000	20,322	12,570,072	6,285,036	802,369	5,598,798	2,799,399	2,799,399
Bristol Bay	156,258	-	29,016	185,274	92,637	10,913	81,724	40,862	40,862
Cordova	126,128	22,870	-	148,998	74,499	18,791	55,708	44,177	11,531
Fairbanks	1,851,910	-	339,528	2,191,438	1,095,719	216,979	878,740	439,370	439,370
Galena	-	189,681	-	189,681	94,840	8,123	86,717+10/100	47,787	38,930
Haines	98,397	-	-	98,397	49,198	16,923	32,275	16,137	16,138
Juneau	934,252	337,782	-	1,272,034	636,007	109,009	[5,616]**	249,746	271,636
							526,998		
Kake	-	50,000	-	50,000	12,500*	8,688	28,812	14,406	14,406
					25,000				
Kenai	1,847,998	1,081,110	508,982	3,438,090	14,708*	128,264	1,605,489	802,744	802,745
					1,719,045				
Ketchikan	609,395	65,729	-	675,124	337,562	74,672	262,890	165,144	97,746
Kodiak	418,325	30,473	17,861	466,659	233,329	59,628	173,701	86,850	86,851
Mat-Su	1,892,447	71,537	1,931	1,965,915	982,957	77,029	905,928	469,734	436,194
Nenana	21,900	11,329	3,168	36,397	18,198	9,226	8,972	4,638	4,334
North Slope	1,428,450	201,968	-	1,630,418	815,209	27,724	787,485	393,742	393,743
Petersburg	124,250	-	46,788	171,038	85,519	20,646	64,873	32,436	32,437
Sitka	412,414	118,964	1,018	532,396	26,438*	49,573	248,413	110,987	137,426
					5,350*				
					266,198				
Skagway	27,821	-	-	27,821	13,910	10,128	3,782	1,891	1,891
St. Mary's	-	110,318	-	110,318	55,159	6,280	48,879	24,439	24,440
Valdez	-	58,125	4,784	62,909	31,454	17,718	13,736	-	13,736
Wrangell	25,856	4,605	-	30,461	15,230	19,908	-	-	-
Totals	21,992,531	2,887,491	973,398	25,853,420			11,408,304	5,744,489	5,663,815

* 25% additional for Vocational Education Construction

** Title III, NDEA Federal Funds

State of Alaska
 Department of Education
 Chapt. 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1978-79

1-29-79

	100% of Debt Service 1976-77	Credit for Cash Payment Prior to FY72	50% of Cash Payment Prior to FY72	Cash Payment 1976-77	80% of 1976-77 Cash Payment	Debt Service @ 100% Plus Cash Payment	Cigarette Tax 1976-77	Total Entitlement	Actual Paymen Prorated @ 79.9238%
Anchorage	11,969,389	19,338	9,669	1,942,254	1,553,803	13,532,861	1,090,725	12,442,136	9,944,227
Bristol Bay	149,585	16,723	8,361	--	--	157,946	13,180	144,766	115,702
Cordova	122,825	--	--	16,020	12,816	135,641	24,469	111,172	88,853
Fairbanks	3,959,632	321,065	160,532	573,180	458,544	4,578,708	295,209	4,283,499	3,423,535
Galena	--	--	--	76,812	61,449	61,449	9,560	51,889	41,471
Haines	95,948	--	--	--	--	95,948	21,902	74,046	59,180
Juneau	985,298	--	--	435,214	348,171	1,333,469	142,967	1,190,502	951,494
Kake	--	--	--	45,072	36,057	36,057	10,751	25,306	20,225
Kenai	2,300,759	483,758	241,879	1,624,771	1,299,817	3,842,455	169,044	3,673,411	2,935,928
Ketchikan	650,498	--	--	--	--	650,498	92,628	557,870	445,870
Kodiak	419,413	17,036	8,518	1,097	877	428,808	73,508	355,300	283,969
Nat-Su	2,085,979	1,842	921	189,120	151,296	2,238,196	108,207	2,129,989	1,702,369
Nenana	21,540	3,022	1,511	11,329	9,063	32,114	10,038	22,076	17,643
North Slope	1,828,748	--	--	--	--	1,828,748	42,576	1,786,172	1,427,575
Petersburg	343,855	44,629	22,314	--	--	366,169	25,602	340,567	272,194
Sitka	410,390	971	485	94,214	75,371	486,246	61,516	424,730	339,460
Skagway	26,784	--	--	--	--	26,784	11,592	15,192	12,142
St. Mary's	--	--	--	128,448	102,758	102,758	6,968	95,790	76,559
Unalaska	--	--	--	12,248	9,798	9,798	8,418	1,380	1,102
Valdez	135,188	4,563	2,281	27,832	22,265	159,734	30,856	128,878	103,004
Wrangell	24,651	--	--	15,000	12,000	36,651	23,140	13,511	10,798
Totals	25,530,482	912,947	456,471	5,192,611	37,254,085	30,141,038	2,272,856	27,868,182	22,273,300

STATE OF ALASKA
 Department of Education
 Chapter 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
 FY 1979-80

District	100% Debt Service 1977-78	Credit for Cash Payment Prior to FY72	50% of Cash Payment Prior to FY72	Cash Payment 1977-78	80% of 1977-78 Cash Payment	Debt Service @100% Plus Cash Payment	Cigarette Tax 1977-78	Total Entitlement	Actual Payment Prorated @ 78.126%
Anchorage	11,937,028	18,355	9,177	1,847,090	1,477,672	13,423,877	957,931	12,465,946	9,739,183
Aristol Bay	89,950	15,914	7,957	-0-	-0-	97,912	12,581	85,331	66,668
Cordova	123,171	-0-	-0-	-0-	-0-	123,171	21,063	102,108	79,775
Dillingham	-0-	-0-	-0-	105,000	84,000	84,000	16,766	67,234	52,529
Fairbanks	3,729,102	304,684	152,342	172,972	138,378	4,019,822	243,812	3,776,010	2,950,058
Galena	-0-	-0-	-0-	10,184	8,147	8,147	8,900	-0-	-0-
Haines	98,497	-0-	-0-	-0-	-0-	98,497	18,770	79,719	62,283
Juneau	955,679	-0-	-0-	409,474	327,579	1,203,258	123,502	1,159,756	906,075
Kake	-0-	-0-	-0-	41,130	32,904	32,904	10,067	22,837	17,844
Kennel	2,402,776	450,533	229,266	1,200,356	966,605	3,670,727	155,772	3,522,955	2,752,355
Ketchikan	609,012	-0-	-0-	96,959	77,567	686,579	79,297	607,282	474,448
King Cove	-0-	-0-	-0-	83,460	66,768	66,768	8,291	58,477	45,688
Kodiak	415,125	16,212	8,106	56,576	45,261	468,492	61,969	406,523	317,602
Katmanuka-Susitna	2,507,513	1,753	876	215,110	172,094	2,680,483	102,808	2,577,675	2,013,843
Kenona	21,180	2,876	1,438	11,762	9,409	32,027	10,819	21,208	16,571
Nome	-0-	-0-	-0-	37,475	29,980	29,980	29,694	286	225
North Slope	3,098,000	-0-	-0-	-0-	-0-	3,098,000	44,783	3,053,217	2,385,366
Petersburg	344,600	42,470	21,235	-0-	-0-	365,915	21,970	343,945	268,712
Sitka	428,415	924	462	215,576	172,460	601,337	50,515	550,822	430,338
Skagway	29,203	-0-	-0-	-0-	-0-	29,203	10,387	18,816	14,702
Valdez	1,912,425	4,342	2,171	20,237	16,190	1,930,706	30,981	1,899,805	1,484,248
Wrangell	23,537	-0-	-0-	-0-	-0-	23,537	20,356	3,181	2,487
TOTAL	28,805,298	866,063	433,030	4,531,369	3,625,094	32,863,422	2,041,042	30,823,133	24,081,000

STATE OF ALASKA
 Department of Education
 STATE AID FOR REIMBURSEMENT OF SCHOOL CONSTRUCTION DEBT
 FY 1900-01

School District	Debt Service at 100% Prior 7-1-77	Debt Service at 00% After 7-1-70	00% Debt Service After 7-1-70	Credit for Cash Pymt. Prior FY 72	50% Cash Pymt. Prior FY 72	Cash Pymt. 1970-79	00% of Cash Pmt. 1970-79	Debt Svc. Plus Cash Pymt.	Less Cig Tax 1978-79	Total Entitlements Paid
Anchorage	11,760,534	560,709	455,031	17,372	0,606	136,112	100,090	12,341,141	894,332	11,446,809
Bristol Bay	86,953	-0-	-0-	15,104	7,552	-0-	-0-	94,505	10,571	83,934
Cordova	119,271	-0-	-0-	-0-	-0-	-0-	-0-	119,271	19,099	100,172
Craig	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,870	-0-
Dillingham	-0-	-0-	-0-	-0-	-0-	51,403	41,122	41,122	15,349	25,773
Fairbanks	4,803,233	-0-	-0-	172,930	06,469	34,635	27,700	4,917,410	234,631	4,682,779
Galena	-0-	-0-	-0-	-0-	-0-	35,416	28,333	28,333	8,742	19,591
Haines	95,690	-0-	-0-	-0-	-0-	-0-	-0-	95,698	16,351	79,347
Iktotuk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12,648	-0-
Hydaburg	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,641	-0-
Juneau	067,413	-0-	-0-	-0-	-0-	-0-	-0-	867,413	116,822	750,591
Kake	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,044	-0-
Kemur	2,510,962	2,646,077	2,116,062	176,031	00,016	707,520	566,016	5,289,056	152,261	5,137,595
Ketchikan	601,757	-0-	-0-	-0-	-0-	129,023	103,058	705,615	72,615	633,000
King Cove	-0-	-0-	-0-	-0-	-0-	1,937	1,550	1,550	8,032	-0-
Klawock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,250	-0-
Krolik	441,226	-0-	-0-	15,300	7,694	202,793	226,234	675,154	59,046	616,108
Mat-Su	2,769,211	767,000	614,240	1,663	032	112,691	90,153	3,474,436	107,802	3,366,634
Menana	21,020	-0-	-0-	2,730	1,365	29,634	23,707	46,092	9,847	37,045
Nome	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	28,617	-0-
North Slope	0,921,475	-0-	-0-	-0-	-0-	-0-	-0-	8,921,475	47,016	8,874,459
Pelican	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,539	-0-
Petersburg	417,046	-0-	-0-	40,310	20,155	-0-	-0-	438,001	20,003	417,998
Sand Point	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sitka	430,170	-0-	-0-	877	439	26,990	21,592	452,209	51,340	400,861
Skagway	25,106	-0-	-0-	-0-	-0-	-0-	-0-	25,106	10,590	14,500
St. Mary's	-0-	-0-	-0-	-0-	-0-	63,704	50,961	50,963	7,000	43,963
Unalaska	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,364	-0-
Valdez	1,577,590	-0-	-0-	4,121	2,061	67,223	53,778	1,633,429	28,963	1,604,466
Wrangell	22,409	52,100	41,606	-0-	-0-	-0-	-0-	64,095	18,834	45,261
Yakutat	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,165	-0-
	<u>35,408,762</u>	<u>4,034,774</u>	<u>3,227,819</u>	<u>446,534</u>	<u>223,269</u>	<u>1,679,881</u>	<u>1,343,904</u>	<u>40,283,754</u>	<u>2,003,200</u>	<u>38,300,174</u>

7/1/81

STATE OF ALASKA
Department of Education
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
1901-02

School District	Debt Service at 100% Prior 7-1-77	Debt Service at 00% After 7-1-77	00% Debt Service	Credit for Cash Pymt. Prior FY 72	50% Cash Pmt. Prior FY 79	Cash Pymt. 1979-80	00% of Cash Pymt. 1979-80	Debt Svc. Plus Cash Pymt.	Less Cig Tax 1979-80	Total Entitlements Paid
Anchorage	9,763,865	1,050,347	040,278	-0-	-0-	225,045	100,036	10,704,179	069,367	9,914,012
Bristol Bay	21,551	-0-	-0-	14,298	7,149	-0-	-0-	20,700	10,667	10,033
Cordova	125,298	-0-	-0-	-0-	-0-	-0-	-0-	125,290	17,704	107,594
Craig	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,615	-0-
Dillingham	-0-	-0-	-0-	-0-	-0-	90,056	72,605	72,605	16,441	56,244
Fairbanks	4,464,576	-0-	-0-	76,580	30,254	-0-	-0-	4,502,030	230,191	4,264,639
Galena	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0,061	-0-
Haines	92,097	-0-	-0-	-0-	-0-	-0-	-0-	92,097	16,002	76,015
Hoonah	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	11,940	-0-
Hydaburg	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,234	-0-
Juneau	831,696	-0-	-0-	-0-	-0-	-0-	-0-	031,696	115,566	716,130
Kake	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,243	-0-
Kenai	2,510,104	2,620,400	2,102,726	54,007	27,444	1,022,364	017,091	5,466,245	161,190	5,305,047
Ketchikan	603,752	-0-	-0-	-0-	-0-	372,430	297,950	901,702	72,149	029,553
King Cove	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,904	-0-
Klawock	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,517	-0-
Kodiak	434,737	-0-	-0-	14,563	7,202	310,197	254,550	696,577	62,006	634,491
Mat-Su	2,127,263	2,341,895	1,073,516	1,496	740	-0-	-0-	4,001,527	115,411	3,006,096
Menana	21,400	-0-	-0-	2,503	1,292	-0-	-0-	22,692	10,172	12,520
Nome	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	20,100	-0-
North Slope	0,041,575	1,502,020	1,201,622	-0-	-0-	-0-	-0-	9,243,197	45,473	9,197,724
Pelican	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,535	-0-
Petersburg	493,243	-0-	-0-	30,150	19,075	-0-	-0-	512,310	20,623	491,695
Sand Point	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0,001	-0-
Sitka	437,106	-0-	-0-	030	, 415	330,035	271,060	700,509	50,031	657,750
Skagway	26,050	-0-	-0-	-0-	-0-	-0-	-0-	26,050	9,031	16,219
St. Marys	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0,406	-0-
Unalaska	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0,203	-0-
Valdez	1,520,025	577,771	462,217	3,901	1,951	36,670	29,336	2,021,529	27,590	1,993,911
Wrangell	21,291	90,233	70,586	-0-	-0-	-0-	-0-	99,077	17,022	02,055
Yakutat	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0,049	-0-
TOTALS	31,552,509	0,190,602	6,550,945	207,216	103,610	2,404,405	1,923,524	40,130,500	2,003,200	30,262,156

(a) 11/9/01

STATE OF ALASKA
DEPARTMENT OF EDUCATION
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
1982-83

School District	Debt Service at 100% Prior 7-1-77	Debt Service at 90% After 7-1-77	90% of Debt Service	Cash Payments 1980-81	90% of Cash Payment	Debt Service Plus Cash Payment	Less Ctg. Tax FY 80-81	Total Entitlement Due	Prorated \$89,485814s	Advance Payment 12/9/82	Final Payment 7/26/83
Anchorage	10,978,437	1,595,620	1,436,058	319,027	287,124	12,701,619	855,623	11,845,996	10,600,486	9,795,679	804,807
Bristol Bay	-0-	320,071	288,064	-0-	-0-	288,064	10,449	277,615	248,426	229,565	18,861
Cordova	120,528	-0-	-0-	-0-	-0-	120,528	17,693	102,835	92,023	85,036	6,987
Craig	-0-	-0-	-0-	-0-	-0-	-0-	9,494	-0-	-0-	-0-	-0-
Dillingham	-0-	-0-	-0-	377,929	340,136	340,136	16,323	323,813	289,767	267,767	22,000
Fairbanks	4,663,659	-0-	-0-	-0-	-0-	4,663,659	240,689	4,422,970	3,957,931	3,657,437	300,494
Galena	-0-	-0-	-0-	58,766	52,889	52,889	9,420	43,469	38,899	35,945	2,954
Haines	95,106	-0-	-0-	-0-	-0-	95,106	16,561	78,545	70,287	64,950	5,337
Hoonah	-0-	-0-	-0-	-0-	-0-	-0-	11,480	-0-	-0-	-0-	-0-
Hydaburg	-0-	-0-	-0-	-0-	-0-	-0-	6,451	-0-	-0-	-0-	-0-
Juneau	774,901	-0-	-0-	-0-	-0-	774,901	108,394	666,507	596,429	551,147	45,282
Kenai	-0-	-0-	-0-	-0-	-0-	-0-	10,047	-0-	-0-	-0-	-0-
Kenai	2,550,949	2,604,449	2,344,004	923,757	831,381	5,726,334	164,826	5,561,508	4,976,761	4,598,916	377,845
Ketchikan	521,722	-0-	-0-	218,513	196,662	718,384	71,198	647,186	579,140	535,169	43,971
King cove	-0-	-0-	-0-	-0-	-0-	-0-	8,174	-0-	-0-	-0-	-0-
Klawock	-0-	-0-	-0-	-0-	-0-	-0-	5,793	-0-	-0-	-0-	-0-
Kodiak	433,521	-0-	-0-	99,863	89,877	523,398	65,784	457,614	409,500	378,409	31,091
Mat-Su	2,783,850	1,577,127	1,419,414	-0-	-0-	4,403,264	125,290	4,077,974	3,649,208	3,372,154	277,854
Menana	21,980	-0-	-0-	-0-	-0-	21,980	10,547	11,433	10,231	9,454	777
Nome	-0-	-0-	-0-	60,000	54,000	54,000	28,441	25,559	22,872	21,135	1,737
North Slope	7,656,975	3,508,038	3,157,234	-0-	-0-	10,814,209	47,123	10,767,086	9,635,014	8,903,507	731,507
Pelican	-0-	-0-	-0-	-0-	-0-	-0-	4,779	-0-	-0-	-0-	-0-
Petersburg	495,114	-0-	-0-	142,089	127,880	622,994	20,322	602,672	539,306	498,360	40,946
Sand Point	-0-	-0-	-0-	-0-	-0-	-0-	7,684	-0-	-0-	-0-	-0-
Sitka	436,950	-0-	-0-	388,560	349,704	786,654	50,873	735,781	658,420	608,431	49,989
Skagway	34,906	-0-	-0-	-0-	-0-	34,906	9,164	25,742	23,035	21,206	1,749
St. Mary's	-0-	-0-	-0-	-0-	-0-	-0-	8,424	-0-	-0-	-0-	-0-
Tanana	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unalaska	-0-	-0-	-0-	-0-	-0-	-0-	9,145	-0-	-0-	-0-	-0-
Valdez	1,474,175	1,670,546	1,503,491	94,574	85,117	3,062,783	27,425	3,035,358	2,716,215	2,509,995	206,220
Wrangell	-0-	98,233	88,410	-0-	-0-	88,410	17,111	71,299	63,802	58,958	4,844
Yakutat	-0-	-0-	-0-	-0-	-0-	-0-	8,473	-0-	-0-	-0-	-0-
TOTALS	33,042,773	11,374,084	10,236,675	2,683,078	2,414,770	45,694,218	2,003,200	43,780,962	39,177,752	36,203,300	2,974,452

STATE OF ALASKA
DEPARTMENT OF EDUCATION
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT
1983-84

School District	Debt Service at 100% Prior 7-1-77	Debt Service at 90% After 7-1-77	90% of Debt Service	Cash Payments 1981-82	90% of Cash Payment	Debt Service Plus Cash Payment	Less Cigarette Tax 1981-82	Total Entitlement Due
Anchorage	9,175,121	1,602,503	1,442,253	1,086,042	977,438	11,594,812	1,061,903	10,532,909
Bristol Bay	-0-	425,115	382,603	-0-	-0-	382,603	12,990	369,613
Cordova	127,377	-0-	-0-	-0-	-0-	127,377	21,496	105,881
Craig	-0-	-0-	-0-	-0-	-0-	-0-	10,673	-0-
Dillingham	-0-	-0-	-0-	1,869	1,682	1,682	19,752	-0-
Fairbanks	4,731,853	1,549	1,394	592,737	533,463	5,266,710	296,518	4,970,192
Galena	-0-	-0-	-0-	63,286	56,957	56,957	10,959	45,998
Haines	91,948	-0-	-0-	-0-	-0-	91,948	20,565	71,383
Hoonah	-0-	-0-	-0-	-0-	-0-	-0-	13,013	-0-
Hydaburg	-0-	-0-	-0-	-0-	-0-	-0-	7,589	-0-
Juneau	726,992	165,796	149,216	711,591	640,432	1,516,640	139,083	1,377,557
Kake	-0-	-0-	-0-	-0-	-0-	-0-	12,037	-0-
Kenai	2,547,238	2,596,769	2,337,092	1,569,196	1,412,276	6,296,606	224,646	6,071,960
Ketchikan	527,051	-0-	-0-	600,688	540,619	1,067,670	87,606	980,064
King Cove	-0-	-0-	-0-	-0-	-0-	-0-	9,412	-0-
Klawock	-0-	-0-	-0-	-0-	-0-	-0-	7,149	-0-
Kodiak	426,183	1,474,729	1,327,256	10,191	9,172	1,762,611	79,326	1,683,285
Mat-Su	2,491,933	2,999,533	2,699,580	175,000	157,500	5,349,013	157,747	5,191,266
Menana	21,500	-0-	-0-	-0-	-0-	21,500	11,544	9,956
Nome	-0-	-0-	-0-	-0-	-0-	-0-	34,787	-0-
North Slope	7,272,375	7,766,663	6,989,997	-0-	-0-	14,262,372	58,679	14,203,693
Pelican	-0-	-0-	-0-	-0-	-0-	-0-	5,000	-0-
Petersburg	396,255	-0-	-0-	122,890	110,601	506,856	25,483	481,373
Sand Point	-0-	-0-	-0-	-0-	-0-	-0-	9,064	-0-
Sitka	380,570	-0-	-0-	780,806	702,725	1,083,295	63,714	1,019,581
Skagway	32,832	-0-	-0-	-0-	-0-	32,832	11,302	21,530
St. Mary's	-0-	-0-	-0-	-0-	-0-	-0-	9,522	-0-
Tanana	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unalaska	-0-	121,935	109,742	51,037	45,933	155,675	11,491	144,184
Valdez	1,425,325	1,852,050	1,666,845	69,666	62,699	3,154,869	36,894	3,117,975
Wrangell	-0-	146,829	132,146	-0-	-0-	132,146	20,630	111,516
Yakutat	-0-	-0-	-0-	41,729	37,556	37,556	9,426	28,130
TOTALS	30,344,553	19,153,471	17,238,124	5,876,728	5,289,053	52,901,730	2,500,000	50,538,046

Offered: 4/22/85
Referred: Finance

Original sponsors: Cotten, Szymanski,
Davis, et al

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 191 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to state aid for school construc-
7 tion; and providing for an effective date."

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

9 * Section 1. AS 14.11 is amended by adding a new section to read:

10 Sec. 14.11.005. SCHOOL CONSTRUCTION GRANT ACCOUNT. There is
11 established the school construction grant account to consist of money
12 appropriated to the account for school construction. The state may
13 appropriate funds from the school construction grant account to school
14 districts for the costs of school construction.

15 * Sec. 2. AS 14.11.010(a) is amended to read:

16 (a) The assembly or council of a municipality that is a school
17 district or a regional school board may submit a request to the de-
18 partment for a grant from the school construction grant account for a
19 school or education-related facility construction, rehabilitation, or
20 improvement project together with a report evaluating the condition of
21 school or education-related facilities in the municipality or regional
22 educational attendance area and a determination of the need for the
23 project. To be eligible for a grant, a school district must submit a
24 request under this section no later than October 15 of the fiscal year
25 before the fiscal year for which the request is made.

26 * Sec. 3. AS 14.11.010(c) is amended to read:

27 (c) In establishing priorities among requested projects the
28 department shall evaluate at least the following factors:

29 (1) priorities assigned by the assembly, council, or school

1 board to the projects requested;

2 (2) emergency requirements;

3 (3) the number of students without classroom space;

4 (4) new local elementary or secondary programs;

5 (5) existing regional, community, and school facilities and
6 the condition of the facilities;

7 (6) the economic and social stability of the municipality
8 or region;

9 (7) the average of the school district's local contribution
10 for expenses of education over the past three years.

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

12 Sec. 14.11.015. SCHOOL CONSTRUCTION GRANTS. (a) The department
13 may approve a grant from the school construction grant account to a
14 school district that complies with the requirements of (1) and (2) of
15 this subsection if the project is approved by the commissioner. In
16 approving a project under this section, the commissioner shall require
17 the school district to

18 (1) agree to construction of a facility of appropriate size
19 and configuration, as determined by the state Board of Education; and

20 (2) demonstrate to the commissioner the need for the pro-
21 ject by

22 (A) a projected long-term student enrollment that
23 indicates the school district has inadequate facilities to meet
24 present or projected enrollment or program needs; or

25 (B) existing facilities that require repair or re-
26 placement at a cost exceeding \$25,000.

27 (b) A school construction grant may not be used for the cons-
28 truction of student residential space, hockey rinks, planetariums,
29 saunas, and other facilities for single purpose sporting or

1 recreational uses that are not suitable for other activities. How-
2 ever, a school construction grant may, subject to the approval of the
3 commissioner, be used for construction of a small swimming pool, tank,
4 or water storage facility used for water sports.

5 * Sec. 5. AS 14.11.100(a)(5) is amended to read:

6 (5) subject to (h), [AND] (i), and (j) of this section, 90
7 [50] percent of

8 (A) payments made by the municipality during the
9 fiscal year two years earlier for the retirement of principal and
10 interest on outstanding bonds, notes or other indebtedness
11 authorized by the qualified voters of the municipality after
12 June 30, 1983, to pay costs of school construction, additions to
13 schools, and major rehabilitation projects that exceed \$25,000
14 and are approved under AS 14.07.020(11); and

15 (B) cash payments made after June 30, 1983, by the
16 municipality during the fiscal year two years earlier to pay
17 costs of school construction, additions to schools, and major
18 rehabilitation projects that exceed \$25,000 and are approved
19 under AS 14.07.020(11).

20 * Sec. 6. AS 14.11.100(h) is amended to read:

21 (h) An allocation under (a)(4) or (5) of this section for school
22 construction begun after July 1, 1982, shall be reduced by the amount
23 of money used for the construction of residential space, hockey rinks,
24 planetariums, saunas, and other facilities for single purpose sporting
25 or recreational uses that are not suitable for other activities. An
26 allocation under (a)(4) or (5) of this section may not be reduced by
27 the amount of money used for construction of a small swimming pool,
28 tank, or water storage facility used for water sports. However, an
29 allocation shall be reduced by the difference between the amount of

1 money used to construct a swimming pool that is competition size or
2 larger and the amount of money that would have been used to construct
3 a small swimming pool, tank, or water storage facility, as determined
4 by the commissioner.

5 * Sec. 7. AS 14.11.100(i) is amended to read:

6 (i) For the purposes of (a)(4) and (5) of this section

7 (1) an indebtedness for bonds is incurred after the bonds
8 are sold;

9 (2) reimbursement for a cash payment may only be made after
10 the payment is made to a vendor; and

11 (3) payments may not be made for costs that are incurred
12 under a contract after the contract has been released.

13 * Sec. 8. AS 14.11.100(j) is amended to read:

14 (j) The state may not allocate money to a municipality for a
15 school construction project under (a)(5) of this section unless the
16 municipality complies with the requirements of (1) - (5) of this
17 subsection and the project is approved by the commissioner before the
18 local vote on the bond issue for the project. In approving a project
19 under this subsection, the commissioner shall require

20 (1) the municipality to include on the ballot for the bond
21 issue the estimated total cost of each project, including annual
22 operation and maintenance costs, and the estimated amounts that will
23 be paid by the state and by the municipality;

24 (2) that the bonds may not be refunded unless the annual
25 debt service on the refunding issue is not greater than the annual
26 debt service on the original issue;

27 (3) that the bonds must be repaid in approximately equal
28 annual principal payments or approximate equal debt service payments
29 over a period of at least 10 years;

1 (4) the municipality to demonstrate need for the project by
2 establishing that the school district has

3 (A) projected long-term student enrollment that indi-
4 cates the district has inadequate facilities to meet present or
5 projected enrollment or program needs; or

6 (B) facilities that require repair or replacement in
7 order to meet health and safety laws or regulations or building
8 codes;

9 (5) the municipality to agree to construction of a facility
10 of appropriate size and configuration, as determined by the state
11 board of education [FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL
12 DISTRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS
13 LISTED IN AS 14.11.010(c)].

14 * Sec. 9. AS 14.11.100 is amended by adding a new subsection to read:

15 (k) An amount equal to the interest earned on the investment of
16 the proceeds of bonds issued for a school construction project shall
17 be used by the municipality to pay the costs of construction of the
18 project.

19 * Sec. 10. AS 14.11 is amended by adding new sections to read:

20 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall
21 evaluate projects for which retirement of school construction debt is
22 requested by school districts in accordance with the procedures set
23 out in AS 14.11.010. A request for an allocation of funds under
24 AS 14.11.100 must be submitted to the department by the school dis-
25 trict no later than October 15 of the fiscal year before the fiscal
26 year for which the request is made.

27 Sec. 14.11.103. DEBT RETIREMENT FOR GRANT PROJECTS. Notwith-
28 standing AS 14.11.100(a)(5), if a school district receives state
29 funding as a grant for a school construction project under AS 14.11.-

1 005, a portion of the debt for the project equal to the amount of the
2 grant shall be retired at the rate of 50 percent. The remainder of
3 the debt shall be retired at the rate of 90 percent as provided in
4 AS 14.11.100(a)(5).

5 * Sec. 11. AS 14.11.135 is amended to read:

6 Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 -
7 14.11.135], unless the context requires otherwise,

8 (1) "approved school construction project" means the plan
9 for a new school or an addition to or major rehabilitation of an
10 existing school to the extent to which approved by the commissioner in
11 accordance with AS 14.07.020(11);

12 (2) "commissioner" means the commissioner of education;

13 (3) "costs of school construction" means the cost of
14 acquiring, constructing, enlarging, repairing, remodeling, equipping
15 or furnishing of public elementary and secondary school buildings and
16 includes the sum total of all costs of financing and carrying out the
17 project; these include, but are not limited to, the costs of all
18 necessary studies, surveys, plans and specifications, architectural,
19 engineering or other special services, acquisition of real property,
20 site preparation and development, purchase, construction, reconstruc-
21 tion and improvement of real property and the acquisition of machinery
22 and equipment as may be necessary in connection with the project; an
23 allocable portion of the administrative and operating expenses of the
24 grantee; the cost of financing the project, including interest on
25 bonds issued to finance the project; and the cost of other items,
26 including any indemnity and surety bonds and premiums on insurance,
27 legal fees, fees and expenses of trustees, depositaries, financial
28 advisors, and paying agents for the bonds issued as the issuer con-
29 siders necessary;

1 (4) "department" means the Department of Education;

2 (5) "school district" means a municipal school district or
3 a regional educational attendance area.

4 * Sec. 12. AS 37.05.315 is amended by adding a new subsection to read:

5 (e) A municipality that accepts a grant under this section for
6 school construction or repair must comply with the provisions of
7 AS 14.11.015.

8 * Sec. 13. (a) The amendments to AS 14.11.100(j) provided for in sec.
9 8 of this Act apply only to school construction projects approved by the
10 commissioner of education after the effective date of this Act.

11 (b) The requirement of AS 14.11.102, added by sec. 10 of this Act,
12 that requests for an allocation of funds under AS 14.11.100 be submitted by
13 October 15 of the fiscal year before the fiscal year for which the request
14 is made, does not apply to requests for fiscal years 1986 and 1987.

15 * Sec. 14. AS 14.11.105, 14.11.110, 14.11.115, 14.11.120, 14.11.125 and
16 14.11.130 are repealed.

17 * Sec. 15. This Act takes effect July 1, 1985.

Introduced: 2/13/85
Referred: Health, Education &
Social Services and Finance

BY COTTEN, SZYMANSKI, DAVIS,
SUND, NAVARRE, TAYLOR, HURLEY
AND GRUENBERG

1 IN THE HOUSE

2 HOUSE BILL NO. 191

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to State aid for school construc-
7 tion; and providing for an effective date."

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

9 * Section 1. AS 14.11.100(a) is amended to read:

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

12 (1) payments made by the municipality during the fiscal
13 year two years earlier for the retirement of principal and interest on
14 outstanding bonds, notes or other indebtedness incurred before July 1,
15 1977₁ to pay costs of school construction;

16 (2) 90 percent of

17 (A) payments made by the municipality during the
18 fiscal year two years earlier for the retirement of principal and
19 interest on outstanding bonds, notes or other indebtedness incur-
20 red after June 30, 1977₁ and before July 1, 1978₁ to pay costs of
21 school construction;

22 (B) cash payments made after June 30, 1976₁ and before
23 July 1, 1978₁ by the municipality during the fiscal year two
24 years earlier to pay costs of school construction;

25 (3) 90 percent of

26 (A) payments made by the municipality during the
27 fiscal year two years earlier for the retirement of principal and
28 interest on outstanding bonds, notes or other indebtedness incur-
29 red after June 30, 1978₁ and before January 1, 1982₁ to pay costs

1 of school construction projects approved under AS 14.07.020(11);

2 (B) cash payments made after June 30, 1978, and before
3 July 1, 1982, by the municipality during the fiscal year two
4 years earlier to pay costs of school construction projects ap-
5 proved under AS 14.07.020(11);

6 (4) subject to (h) and (i) of this section up to 90 percent
7 of

8 (A) payments made by the municipality during the
9 current fiscal year for the retirement of principal and interest
10 on outstanding bonds, notes or other indebtedness incurred after
11 December 31, 1981, and authorized by the qualified voters of the
12 municipality before July 1, 1983, to pay costs of school con-
13 struction, additions to schools, and major rehabilitation pro-
14 jects that exceed \$25,000 and are approved under AS 14.07.-
15 020(11); and

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

21 (C) payments made by the municipality during the
22 current fiscal year for the retirement of principal and interest
23 on outstanding bonds, notes, or other indebtedness to pay costs
24 of school construction, additions to schools, and major rehab-
25 ilitation projects that exceed \$25,000 and are submitted to the
26 Department of Education for approval under AS 14.07.020(11)
27 before July 1, 1983, and approved by the qualified voters of the
28 municipality before October 15, 1983, not to exceed a total
29 project cost of (i) \$6,600,000 if the annual growth rate of

1 average daily membership of the municipality is more than 7
2 percent but less than 12 percent, or (ii) \$20,000,000 if the
3 annual a growth rate of average daily membership of the munici-
4 pality is 12 percent or more; payments made by a municipality
5 under this paragraph on total project costs that exceed the
6 amounts set out in (i) and (ii) of this paragraph are subject to
7 (a)(5)(A) of this section.

8 (5) subject to (h) and (i) of this section, 90 [50] percent
9 of

10 (A) payments made by the municipality during the
11 fiscal year for the retirement of principal and interest on
12 outstanding bonds, notes or other indebtedness authorized by the
13 qualified voters of the municipality after June 30, 1983₁ to pay
14 costs of school construction, additions to schools, and major
15 rehabilitation projects that exceed \$25,000 and are approved
16 under AS 14.07.020(11); and

17 (B) cash payments made after June 30, 1983₁ by the
18 municipality during the fiscal year two years earlier to pay
19 costs of school construction, additions to schools, and major
20 rehabilitation projects that exceed \$25,000 and are approved
21 under AS 14.07.020(11).

22 * Sec. 2. AS 14.11.100(c) is amended to read:

23 (c) The school construction account is established. Funds to
24 carry out the provisions of this section may be appropriated annually
25 by the legislature to the account. If amounts in the account are
26 insufficient for the purpose of providing the share to which a borough
27 or city is entitled under this section, those funds that are available
28 shall be distributed pro rata among the eligible local governments
29 having an annual growth rate of average daily membership of five

1 percent or more. Remaining funds shall be distributed pro rata among
2 eligible local governments having an annual growth rate of average
3 daily membership under five percent.

4 * Sec. 3. This Act takes effect July 1, 1985.

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/12/85

Date:

5-8-85

The Committee on FINANCE has had HB 193

"An Act establishing an agricultural product incentive program."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 193 (Res) same title new title

and recommends NO RECOMMENDATION

AND attaches a "Letter of Intent" New Fiscal Note 4/17/85

reports it back without recommendation Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
Ronald L. Larson
[Signature]

[Signature]
[Signature]
Pat Panchot
Bob Debb (1000)
[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 193
 Title: Agricultural Production Credits
 Sponsor: Schultz
 Requestor: House Resources Committee
 Date of Request: April 12, 1985

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC Agricultural Management
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE **	(1,274.0)	(2,004.2)	(2,547.5)	(3,090.8)	(3,634.2)	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

** The proposed program could reduce state revenue, in the amounts shown, by reducing the amount of interest paid on state agricultural loans. However, these figures are based on the assumption that the program will increase production and sales of Alaska farm products according to the attached schedule. If sales do not increase, the amount of revenue lost to the state would decrease. (See attached analysis.)

Prepared By: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 4/12/85

Approved by Commissioner: Wm D Armstrong, Deputy Date: _____
 Agency: Natural Resources

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Offered: 4/12/85
Referred: Finance

Original sponsor: Shultz

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 193 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing agricultural production credits; and
providing for an effective date."

7

8

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

9

* Section 1. AS 03.05 is amended by adding a new section to read:

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Sec. 03.05.015. AGRICULTURAL PRODUCTION CREDITS. (a) The

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commissioner of natural resources shall establish a program of agricultural production credits to be applied against interest due on agricultural loans made under this title and AS 44 and interest due on the sale of agricultural land under AS 38.05. The credits shall be based on agricultural products grown or raised in the state.

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(b) The annual credit for the years 1984 - 1988 is 10 percent of

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the total sales as documented by the farmer on Internal Revenue Service Schedule F (form 1040).

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(c) A credit granted under this section may not be transferred.

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* Sec. 2. AS 03.05.015 is repealed December 31, 1989.

21

* Sec. 3. This Act takes effect immediately in accordance with AS 01.-

22

10.070(c).

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

**STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 193
 Title: Agricultural Production
Credits
 Sponsor: Schultz
 Requestor: House Resources Committee
 Date of Request: April 12, 1985

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
Agricultural Management
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE **	(1,274.0)	(2,004.2)	(2,547.5)	(3,090.8)	(3,634.2)	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

** The proposed program could reduce state revenue, in the amounts shown, by reducing the amount of interest paid on state agricultural loans. However, these figures are based on the assumption that the program will increase production and sales of Alaska farm products according to the attached schedule. If sales do not increase, the amount of revenue lost to the state would decrease. (See attached analysis.)

Prepared By: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 4/12/85

Approved by Commissioner: Anna D. Armstrong, Deputy Date: _____
 Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Continuation of Analysis for CSHB 193

The proposed production credit program could, if successful, reduce state revenues by reducing the total amount of interest paid on state agricultural loans. However, without a program of this type that provides some measure of debt relief to farmers, the state will lose millions of dollars through loan defaults.

The total amount of production credits that might be earned during the five years of the program, considering that not all farmers have borrowed from the state, and that agricultural land that is not currently in production is put into production, are estimated as follows:

Year	Projected Sales	Sales Available for Credits*	% Credit	Estimated Credits
1984	\$15,925,000	\$12,740,000	10	\$1,274,000
1985	\$25,053,000	\$20,042,400	10	2,004,240
1986	\$31,844,000	\$25,475,200	10	2,547,520
1987	\$38,635,000	\$30,908,000	10	3,090,800
1988	\$45,427,000	\$36,341,600	10	3,634,160
Five Year Total				\$12,550,720

* Projected sales reduced by 20% to account for non-borrowers.

The following chart gives estimated values for loan default and associated interest losses to the state if the production credit program is not established. Farmers in the Delta area have an especially heavy debt load. Approximately \$12,500,000 is due on clearing loans for the Delta I and Delta II agricultural project parcels. This is an average of \$337,837 of clearing loan debt per farm. Land payments for Delta II parcels average \$180 per acre at 12% interest per year. The average amount of principal owed for each Delta II parcel is approximately \$145,000.

Loan	Amount Outstanding	Possible Default	Collateral Value	Loss to State
ARLF	\$48.5 mill.	\$23 mill.	\$15 mill.	\$8 mill.
Clearing	\$17.5 mill.	\$ 8 mill.	0	\$8 mill.
Land	\$10 mill.	\$ 5 mill.	\$ 3 mill.	\$2 mill.

Interest on \$18 million loss at 8% x 5 years = \$7.2 mill.

Total estimated loss to state = \$25.2 million.

Offered: 4/12/85
Referred: Finance

Original sponsor: Shultz

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 193 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act allowing agricultural production credits; and
7 providing for an effective date."

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13 agricultural loans made under this title and AS 44 and interest due on
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15 based on agricultural products grown or raised in the state.

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17 the total sales as documented by the farmer on Internal Revenue Ser-
18 vice Schedule F (form 1040).

19 (c) A credit granted under this section may not be transferred.

20 * Sec. 2. AS 03.05.015 is repealed December 31, 1989.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

EXAMPLE of how a Delta barley farmer could be affected - this is the "horse case" scenario

Assumptions

1. 2500 acre farm
2. 1500 acres planted in barley
3. Production of 1 ton per acre - sells for \$125 per ton
4. Chattel loan of \$208,000 at 8%, first payment due in 1985.
5. Farm development loan of \$119,000 at 8% - first payment due in 1985
6. Land purchased for \$180 per acre at 12% interest - with moratorium, first payment due in 1989
7. Land clearing loan of \$300,000 at 8% interest - with moratorium, first payment due in 1989

Table 1. THE AFFECT OF PRODUCTION CREDITS ON LOAN PAYMENTS - FARMER BROWN Sales- \$187,500/ year

Total Loan Payment ³	Interest Portion of Loans ⁴	Credits Available	%	Interest Payment Following Credit Deduction	Total Loan Payment Following Credit Deduction
\$56,571	\$ 30,660	\$18,750	10	\$11,910	\$37,821
56,571	28,586	18,750	10	9,836	37,821
56,571	26,340	18,750	10	7,598	37,821
56,571	23,929	18,750	10	5,179	37,821
129,136	90,726	18,750	10	71,976	110,386

³ Land clearing and land purchases begin, n is paid-off in this year.
⁴ include operating loan.
 net operating loan interest of \$4,500.

Total interest forgiven \$93,750

Total Loans \$897,000 (principal)

Offered: 4/12/85
Referred: Finance

Original sponsor: Shultz

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 193 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

5

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Introduced: 2/13/85
Referred: Resources and
Finance

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 193

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing an agricultural product incentive program."

7

8

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

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10

Sec. 38.05.064. AGRICULTURAL PRODUCT INCENTIVE PROGRAM. (a)

11

The director shall establish an agricultural product incentive program to credit agricultural land purchasers on the basis of agricultural production. The credit may be based only on the production of grains, dairy products, and livestock on agricultural land purchased under this chapter.

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(b) The amount of the credit shall be determined by the director, based on the Seattle price of the product credited, minus the freight cost to the production location.

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(c) The credit may be applied only against principal due on a sale of agricultural land made under this chapter.

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