



# LAWS OF ALASKA

1985

**Source**

CCSSB 51

**Chapter No.**

78

## AN ACT

Relating to state aid for school construction; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 2, 1985  
Actual Effective Date: July 1, 1985

AN ACT

Relating to state aid for school construction; and providing for an effective date.

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

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

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

(h) An allocation under (a)(4) or (5) 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 and by

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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 exceeds the  
8        standards adopted by the department [IS COMPETITION SIZE OR LARGER]  
9        and the amount of money that would have been used to construct a small  
0        swimming pool, tank, or water storage facility, as determined by the  
1        commissioner.

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

(i) For the purposes of (a)(4) and (5) 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.

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

(j) The state may not allocate money to a municipality for a  
school construction project under (a)(5) of this section unless the  
municipality complies with the requirements of (1) - (4) of this  
subsection and 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 including estimated  
annual operation and maintenance costs and the estimated amounts that

1 will be paid by the state and by the municipality;

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

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

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

10 (A) projected long-term student enrollment that indi-  
11 cates the district has inadequate facilities to meet present or  
12 projected enrollment; or

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

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

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

- 22 (1) pay the costs of the project;
- 23 (2) pay accrued interest on the bond issue;
- 24 (3) redeem all or part of the bonds; or
- 25 (4) pay the costs of issuing the bonds.

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

27 Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall  
28 evaluate projects for which retirement of school construction debt is  
29 requested by school districts in accordance with the procedures set

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1 out in AS 14.11.010. A request for an allocation of funds under  
2 AS 14.11.100 must be submitted to the department by the school dis-  
3 trict no later than October 15 of the fiscal year before the fiscal  
4 year for which the request is made.

5 \* Sec. 7. 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 ac-  
14 quiring, constructing, enlarging, repairing, remodeling, equipping or  
15 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 or  
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, depositories, 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 \* Sec. 8. AS 14.11 is amended by adding a new section to read:

3 Sec. 14.11.140. REGULATIONS. The department shall adopt regu-  
4 lations to carry out the purposes of this chapter.

5 \* Sec. 9. LEGISLATIVE REVIEW. Proposed permanent regulations under  
6 AS 14.11.140 as enacted in sec. 8 of this Act shall be submitted to the  
7 legislature no later than the 10th day of the Second Session of the Four-  
8 teenth Alaska State Legislature. Notwithstanding AS 44.62, permanent  
9 regulations adopted under AS 14.11.140 take effect the 90th day of the  
10 Second Session of the Fourteenth Alaska State Legislature, unless a law is  
11 enacted disapproving the regulations.

12 \* Sec. 10. (a) The amendments to AS 14.11.100(j) provided for in  
13 sec. 4 of this Act apply only to school construction projects approved by  
14 the commissioner of education after the effective date of this Act.

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

9 \* Sec. 11. This Act takes effect July 1, 1985.  
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