



# LAWS OF ALASKA

## 1993

**Source**  
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**Chapter No.**  
78

### AN ACT

Relating to school construction grants and major maintenance grants to school districts; providing for school district participation in the cost of school construction and major maintenance; creating a major maintenance grant fund; relating to reimbursement of school construction debt, and to school construction bonds issued by the Alaska Municipal Bond Bank Authority; creating an education facilities maintenance and construction fund; 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

**Approved by the Governor:** June 25, 1993

**Actual Effective Date:** AS 14.11.100(o), enacted in section 16, and sections 20 and 21 are conditional; remainder of Act takes effect June 26, 1993

AN ACT

1 Relating to school construction grants and major maintenance grants to school districts;  
2 providing for school district participation in the cost of school construction and major  
3 maintenance; creating a major maintenance grant fund; relating to reimbursement of school  
4 construction debt, and to school construction bonds issued by the Alaska Municipal Bond  
5 Bank Authority; creating an education facilities maintenance and construction fund; and  
6 providing for an effective date.

7

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

9 (c) The department may not award a school construction or major  
10 maintenance grant under AS 14.11 to a municipality that is a school district or a  
11 regional educational attendance area that is not in compliance with (a) of this section.  
12 The department shall reduce the amount of state foundation aid under AS 14.17.021

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1 for which a school district may qualify, by the amount, if any, paid by the department  
2 under (b) of this section.

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

4 (11) review plans for construction of new public elementary and  
5 secondary schools and for additions to and major rehabilitation of existing public  
6 elementary and secondary schools and, in accordance with regulations adopted by the  
7 department, determine and approve the extent of eligibility for state aid of a school  
8 construction or major maintenance project [BEGUN AFTER JULY 1, 1978]; for the  
9 purposes of this paragraph, "plans" include educational specifications, schematic  
10 designs, and final contract documents;

11 \* **Sec. 3.** AS 14.07.165 is amended to read:

12 Sec. 14.07.165. DUTIES. The board shall adopt

13 (1) statewide goals and require each governing body to adopt written  
14 goals that are consistent with local needs;

15 (2) regulations regarding the application for and award of grants under  
16 AS 14.03.125;

17 **(3) regulations implementing provisions of AS 14.11.014(b).**

18 \* **Sec. 4.** AS 14.11 is amended by adding new sections to read:

19 Sec. 14.11.007. MAJOR MAINTENANCE GRANT FUND. There is created  
20 a major maintenance grant fund as an account in the general fund. The fund shall be  
21 used to make grants for the costs of school major maintenance. Legislative  
22 appropriations for school major maintenance shall be deposited in the fund.

23 Sec. 14.11.008. SCHOOL DISTRICT PARTICIPATION IN GRANT  
24 PROGRAM. (a) In order to receive a grant under this chapter or an appropriation  
25 under AS 37.16.010, a district must provide a percentage share of the project cost, as  
26 determined under (b) or (c) of this section. A district shall provide the required  
27 participating share within three years after the date that the appropriation bill funding  
28 the grant is passed by the legislature.

29 (b) The required participating share for a municipal school district is based on  
30 the district's full value per ADM, which is calculated by dividing the full and true  
31 value of the taxable real and personal property in the district, calculated as described

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1 in AS 14.17.025(a)(1), by the district average daily membership (ADM) as defined in  
2 AS 14.17.250, for the same fiscal year for which the valuation was made. The  
3 municipal district's full value per ADM determines the district's required participating  
4 share, as follows:

5 Full Value Per ADM	District Participating Share
6 \$1 - \$100,000	5 percent
7 100,001 - 200,000	10 percent
8 200,001 - 600,000	30 percent
9 over 600,000	35 percent.

10 (c) The required participating share for a regional educational attendance area  
11 is two percent. The participating share for any district may be satisfied by money  
12 from federal, local, or other sources, or with locally contributed labor, material, or  
13 equipment.

14 (d) If a district with full value per ADM of \$200,000 or less can demonstrate  
15 in writing that it is unable to provide the required participating share or that the  
16 participating share required under this section will jeopardize receipt of federal  
17 assistance, the commissioner may waive all or a portion of the required participating  
18 share.

19 (e) State funds provided under this chapter may not be a source of the  
20 participating share required under (b) or (c) of this section.

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

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

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

29 (1) a six-year capital improvement plan that includes a description of  
30 the district's fixed asset inventory system and preventive maintenance program no later  
31 than September 1 of the fiscal year before the fiscal year for which the request is

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1 made; the six-year plan must contain for each proposed project a detailed scope of  
2 work, a project budget, and documentation of conditions justifying the project;

3 (2) evidence that the district has secured and will maintain adequate  
4 property loss insurance for the replacement cost of all facilities for which state funds  
5 are available under AS 14.11.005 or 14.11.007 or has a program of insurance  
6 acceptable to the department; and

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

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

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

13 (1) annually review the six-year plans submitted by each district under  
14 AS 14.11.011(b) and recommend to the board a revised and updated six-year capital  
15 improvement project [CONSTRUCTION] grant schedule that serves the best interests  
16 of the state and each district; in recommending projects for this schedule, the  
17 department shall verify that each proposed project meets the criteria established  
18 under AS 14.11.014(b) and qualifies as a project required to

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

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

21 (C) protect the structure of existing school facilities;

22 (D) correct building code deficiencies that require major repair  
23 or rehabilitation in order for the facility to continue to be used for the  
24 educational program;

25 (E) achieve an operating cost savings;

26 (F) modify or rehabilitate facilities for the purpose of improving  
27 the instructional program;

28 (G) meet an educational need not specified in (A) - (F) of this  
29 paragraph, identified by the department;

30 (2) prepare an estimate of the amount of money needed to finance each  
31 project;

1 (3) provide to the governor, by November 1, and to the legislature  
2 within the first 10 days of each regular legislative session, a revised and updated  
3 six-year capital improvement project [CONSTRUCTION] grant schedule, together  
4 with a proposed schedule of appropriations.

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

6 (b) In preparing the construction grant schedule, the department shall establish  
7 priorities among projects for which grants are requested and shall award school  
8 construction grants in the order of priority established. In establishing priorities the  
9 department shall evaluate at least the following factors, without establishing an  
10 absolute priority for any one factor:

11 (1) emergency requirements;  
12 (2) priorities assigned by the district to the projects requested;  
13 (3) new local elementary and secondary programs;  
14 (4) existing regional, community, and school facilities, and their  
15 condition; this paragraph does not include administrative facilities;

16 (5) the amount of district operating funds expended for  
17 maintenance; and

18 (6) other options that would reduce or eliminate the need for the  
19 request [(5) ALTERNATE EDUCATION PROGRAM OPTIONS FOR  
20 ACCOMPLISHING THE PROJECT'S OBJECTIVES].

21 \* Sec. 8. AS 14.11.013(d) is amended to read:

22 (d) The department shall reduce a project budget by the cost of those portions  
23 of a project design that the department determines (1) are for construction of student  
24 residential space, planetariums, hockey rinks, saunas, and other facilities for single  
25 purpose sporting or recreational uses that are not suitable for other activities; or (2)  
26 do not meet the criteria developed under AS 14.11.014(b) that are applicable to  
27 the project. This subsection does not apply to funding for swimming pools that meet  
28 criteria established by the department.

29 \* Sec. 9. AS 14.11 is amended by adding a new section to read:

30 Sec. 14.11.014. BOND REIMBURSEMENT AND GRANT REVIEW  
31 COMMITTEE. (a) The commissioner shall establish a bond reimbursement and grant

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1 review committee for the purpose described in (b) of this section. In making  
2 selections to the committee, the commissioner shall seek to maintain a regional  
3 statewide balance on the committee. The committee shall consist of the commissioner  
4 or the commissioner's designee, two members of the legislature selected by the  
5 presiding officers of the house and senate, and six other people selected by the  
6 commissioner as follows:

7 (1) two persons shall have professional degrees and experience in  
8 school construction;

9 (2) two persons shall have experience in urban or rural school facilities  
10 management;

11 (3) two persons shall represent the public.

12 (b) The committee shall

13 (1) review the department's priorities among projects for which school  
14 construction grants are requested;

15 (2) make recommendations to the board concerning school construction  
16 grants and make recommendations to the commissioner concerning projects for which  
17 bond reimbursement is requested;

18 (3) develop criteria for construction of schools in the state; criteria  
19 developed under this paragraph must include requirements intended to achieve cost  
20 effective school construction;

21 (4) analyze existing prototypical designs for school construction  
22 projects;

23 (5) establish a form for grant applications;

24 (6) establish a method of ranking grant projects;

25 (7) recommend to the board necessary changes to the approval process  
26 for school construction grants and for projects for which bond reimbursement is  
27 requested.

28 (c) Members of the committee serve without compensation, but members who  
29 are not representing the department are entitled to per diem and travel expenses  
30 authorized for boards and commissions under AS 39.20.180.

31 \* **Sec. 10.** AS 14.11.015 is amended to read:

1           Sec. 14.11.015. APPROVAL OF GRANT APPLICATIONS. (a) The board  
2 shall review grant applications that have been recommended by the department under  
3 AS 14.11.013, and may approve a grant application if the board determines that the  
4 project meets the criteria specified in AS 14.11.013(a)(1) and 14.11.014. The  
5 department may not award a [SCHOOL CONSTRUCTION] grant unless the grant  
6 application is approved by the board.

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

14           (c) If a project is assigned a new priority ranking under AS 14.11.016 after the  
15 date of passage by the legislature of the appropriation bill for the appropriate  
16 [SCHOOL CONSTRUCTION] grant fund, the project must be funded from the  
17 appropriate fund in accordance with the new priority ranking at the next time that  
18 [SCHOOL CONSTRUCTION] grants are awarded.

19 \* Sec. 11. AS 14.11.017 is amended to read:

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

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

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

28           (3) agree to limit equipment purchases to that required for the approved  
29 project [SCHOOL CONSTRUCTION] plan submitted under (5) of this subsection  
30 and account for all equipment purchased for the project under a fixed asset inventory  
31 system approved by the department;

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

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

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

13 (1) award of the grant;

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

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

17 \* Sec. 12. AS 14.11.017 is amended by adding a new subsection to read:

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

21 \* Sec. 13. AS 14.11.019 is amended to read:

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

27 \* Sec. 14. AS 14.11.100(a) is amended to read:

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

30 (1) payments made by the municipality during the fiscal year two years  
31 earlier for the retirement of principal and interest on outstanding bonds, notes, or other

1 indebtedness incurred before July 1, 1977<sub>2</sub> to pay costs of school construction;

2 (2) 90 percent of

3 (A) payments made by the municipality during the fiscal year  
4 two years earlier for the retirement of principal and interest on outstanding  
5 bonds, notes<sub>2</sub> or other indebtedness incurred after June 30, 1977<sub>2</sub> and before  
6 July 1, 1978<sub>2</sub> to pay costs of school construction;

7 (B) cash payments made after June 30, 1976<sub>2</sub> and before July 1,  
8 1978<sub>2</sub> by the municipality during the fiscal year two years earlier to pay costs  
9 of school construction;

10 (3) 90 percent of

11 (A) payments made by the municipality during the fiscal year  
12 two years earlier for the retirement of principal and interest on outstanding  
13 bonds, notes<sub>2</sub> or other indebtedness incurred after June 30, 1978<sub>2</sub> and before  
14 January 1, 1982<sub>2</sub> to pay costs of school construction projects approved under  
15 AS 14.07.020(a)(11);

16 (B) cash payments made after June 30, 1978<sub>2</sub> and before July 1,  
17 1982<sub>2</sub> by the municipality during the fiscal year two years earlier to pay costs  
18 of school construction projects approved under AS 14.07.020(a)(11);

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

20 (A) payments made by the municipality during the current fiscal  
21 year for the retirement of principal and interest on outstanding bonds, notes<sub>2</sub> or  
22 other indebtedness incurred after December 31, 1981, and authorized by the  
23 qualified voters of the municipality before July 1, 1983, to pay costs of school  
24 construction, additions to schools, and major rehabilitation projects that exceed  
25 \$25,000 and are approved under AS 14.07.020(a)(11); and

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

30 (C) payments made by the municipality during the current fiscal  
31 year for the retirement of principal and interest on outstanding bonds, notes, or

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

11 (5) subject to (h), (i), and (j) of this section, 80 percent of

12 (A) payments made by the municipality during the fiscal year  
13 for the retirement of principal and interest on

14 (i) outstanding bonds, notes, or other indebtedness  
15 authorized by the qualified voters of the municipality after June 30,  
16 1983, but before March 31, 1990, to pay costs of school construction,  
17 additions to schools, and major rehabilitation projects that exceed  
18 \$25,000 and are approved under AS 14.07.020(a)(11);

19 (ii) outstanding bonds, notes, or other indebtedness  
20 authorized by the qualified voters of the municipality before July 1,  
21 1989, and reauthorized before November 1, 1989, to pay costs of school  
22 construction, additions to schools, and major rehabilitation projects that  
23 exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

29 (6) subject to (h), (i), (j), and (n) of this section, 70 percent of  
30 payments made by the municipality during the fiscal year for the retirement of  
31 principal and interest on outstanding bonds, notes, or other indebtedness

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

4 (7) subject to (h), (i), (j), and (n) of this section, 70 percent of  
5 payments made by the municipality during the fiscal year for the retirement of  
6 principal and interest on outstanding bonds, notes, or other indebtedness  
7 authorized by the qualified voters of the municipality after March 31, 1990, but  
8 before April 30, 1993, to pay costs of school construction, additions to schools, and  
9 major rehabilitation projects.

10 \* Sec. 15. AS 14.11.100(j) is amended to read:

11 (j) Except as provided in (l) of this section, the state may not allocate money  
12 to a municipality for a school construction project under (a)(5), (6), or (7) of this  
13 section unless the municipality complies with the requirements of (1) - (4) of this  
14 subsection, the project is approved by the commissioner before the local vote on the  
15 bond issue for the project or for bonds authorized after March 31, 1990, but on or  
16 before April 30, 1993, the bonds are approved by the commissioner before  
17 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
18 June 30, 1988. In approving a project under this subsection, the commissioner shall  
19 require

20 (1) the municipality to include on the ballot for the bond issue, for  
21 bonds authorized on or before March 31, 1990, or after April 30, 1993, the  
22 estimated total cost of each project including estimated total interest, estimated annual  
23 operation and maintenance costs, the estimated amounts that will be paid by the state  
24 and by the municipality, and the approximate amount that would be due in annual  
25 taxes on \$100,000 in assessed value to retire the debt;

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

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

31 (4) the municipality to demonstrate need for the project by establishing

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1 that the school district has

2 (A) projected long-term student enrollment that indicates the  
3 district has inadequate facilities to meet present or projected enrollment; or

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

6 \* Sec. 16. AS 14.11.100 is amended by adding new subsections to read:

7 (n) The total amount of school construction projects approved for  
8 reimbursement by the department under (a)(6) or (7) of this section

9 (1) may not exceed \$250,000,000; and

10 (2) until July 1, 1996, shall be allocated as follows:

11 (A) \$133,000,000 shall be allocated to projects in a municipality  
12 with a population of 200,000 or more people;

13 (B) \$67,000,000 shall be allocated to projects in a municipality  
14 with a population of at least 60,000, but less than 200,000 people;

15 (C) \$50,000,000 shall be allocated to projects in a municipality  
16 with less than 60,000 people.

17 (o) Subject to (h), (i), and (j) of this section, the state shall allocate to the  
18 Alaska Municipal Bond Bank Authority 70 percent of payments made by the authority  
19 during the fiscal year for retirement of principal and interest on outstanding bonds,  
20 notes, or other indebtedness issued under AS 44.85.080 after July 1, 1994, to pay costs  
21 of school construction, additions to schools, and major rehabilitation projects that  
22 exceed \$200,000 and are approved under AS 14.07.020(11).

23 \* Sec. 17. AS 14.11.102 is amended by adding a new subsection to read:

24 (b) The department shall evaluate projects for which retirement of school  
25 construction debt is requested. In evaluating projects for bond reimbursement as  
26 required under this section, the department shall evaluate all of the following factors,  
27 without establishing an absolute priority for any one factor:

28 (1) emergency requirements;

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

30 (3) new local elementary and secondary facilities;

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

1 condition; this paragraph does not include administrative facilities;

2 (5) the amount of district operating funds expended for maintenance;  
3 and

4 (6) other program options for accomplishing the project's objectives.

5 \* Sec. 18. AS 14.11.135 is repealed and reenacted to read:

6 Sec. 14.11.135. DEFINITIONS. In this chapter, unless the context requires  
7 otherwise,

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

11 (2) "capital improvement project" or "project" means school  
12 construction or major maintenance;

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

27 (4) "district" means the districts described in AS 14.12.010;

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

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

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

\* **Sec. 19.** AS 37 is amended by adding a new chapter to read:

**CHAPTER 16. MISCELLANEOUS FUNDS.**

**Sec. 37.16.010. EDUCATIONAL FACILITIES MAINTENANCE AND CONSTRUCTION FUND.** (a) The educational facilities maintenance and construction fund is established as a separate fund in the general fund. The fund consists of all money appropriated to it.

(b) The educational facilities maintenance and construction fund shall be invested by the Department of Revenue so as to yield competitive market rates, as provided in AS 37.10.071. Money in the fund may be appropriated

(1) to finance the design, construction, and maintenance of public school facilities; and

(2) for maintenance of University of Alaska facilities.

(c) Appropriations from the education facilities maintenance and construction fund are subject to AS 14.11.008.

\* **Sec. 20.** AS 44.85.080 is amended by adding a new paragraph to read:

(23) receive appropriations from the legislature for retirement of principal and interest on bonds, notes, or other indebtedness issued after July 1, 1994, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11).

\* **Sec. 21.** AS 44.85.180(c) is amended to read:

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time, except bonds or notes issued to fund or refund bonds or notes, may not exceed \$550,000,000, of which \$250,000,000

(1) may only be issued to fund school construction, additions to schools, or major school rehabilitation projects that are approved under AS 14.07.020(a)(11); and

(2) until July 1, 1996, shall be allocated as follows:

(A) \$133,000,000 shall be allocated to projects in a

1                   municipality with a population of 200,000 or more people;

2                   (B) \$67,000,000 shall be allocated to projects in a  
3                   municipality with a population of at least 60,000, but less than 200,000  
4                   people;

5                   (C) \$50,000,000 shall be allocated to projects in a  
6                   municipality with less than 60,000 people [\$300,000,000].

7           \* **Sec. 22.** SUSPENSION OF GRANT PROGRAM. AS 14.11.013(b) and 14.11.015(b)  
8 do not apply to capital improvement grants included in appropriations for fiscal year 1994.

9           \* **Sec. 23.** APPLICABILITY. (a) The amendments made by secs. 1 - 6, 11, 13, 18, and  
10 19 of this Act apply to grants awarded under AS 14.11.005 - 14.11.019 after June 30, 1993.

11                   (b) The amendments made by secs. 7, 10, and 12 of this Act do not apply to capital  
12 improvement grants included in appropriations for fiscal year 1994.

13                   (c) Sections 8 and 9 of this Act do not apply to school construction projects that are  
14 submitted to the Department of Education under AS 14.11.011(a) before the effective date of  
15 this section.

16                   (d) AS 14.11.100(n), enacted in sec. 16 of this Act, applies to school construction  
17 projects for which bonds have been authorized by qualified voters after March 31, 1990.

18           \* **Sec. 24.** AS 14.11.100(o), enacted in sec. 16 of this Act, and secs. 20 and 21 of this Act  
19 take effect only if an amendment to the Constitution of the State of Alaska that creates the  
20 Alaska school construction and maintenance fund and that is proposed by the Eighteenth  
21 Alaska State Legislature is approved by the voters.

22           \* **Sec. 25.** If AS 14.11.100(o), enacted in sec. 16 of this Act, and secs. 20 and 21 of this  
23 Act take effect, they take effect on the date the constitutional amendment described in sec. 24  
24 of this Act takes effect.

25           \* **Sec. 26.** Except as provided in sec. 25 of this Act, this Act takes effect immediately  
26 under AS 01.10.070(c).