

By: Staff

Date: July 12, 2005

Phone: 465-6906

File: 05-07-14 Staff Briefing

For: Bond Reimbursement and Grant
Review Committee

Subject: Current Issues

STAFF BRIEFING

FY06 Legislative Overview

Information regarding current legislation can be accessed online at <http://www.legis.state.ak.us/basis/start.asp>

The following school facilities related legislation was passed during the first session of the 24th Alaska Legislature, 2005:

SB 46 BUDGET: CAPITAL & OTHER/ BRF

Title: An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

Sponsor: RLS BY REQUEST OF THE GOVERNOR

Purpose: Provides state funds for capital projects, various agencies. For school districts, the following activity was initiated, some through EED and some through DCCED. Refer to the following table and EED Numbered Memorandum 2005-15 attached:

Department	FY2006	FY2007	Total
Commerce	\$13,285,778	\$0	\$13,285,778
Education	\$58,331,222	\$25,088,607	\$83,419,829
Total	\$71,617,000	\$25,088,607	\$96,705,607

- Also, an FY99 grant for the Bristol Bay Borough School District, reappropriated in FY02 to reestablish the participating share deadline and revised in name in FY03 to read: Naknek **pneumatic heating system, redesign and reconstruction of the school roof**, sprinkler system, library and computer room relocation, and remodel, was again reappropriated in its unobligated, unexpended balance (~\$1,000,000) to reestablish the participating share deadline.

Activity: Signed into law July 1st with partial veto and reductions, none related to school funding.

- SB 73 SCHOOL BOND REIMBURSEMENT/VIROLOGY LAB
Title: An Act relating to reimbursement of municipal bonds for school construction; relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; and providing for an effective date.
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Purpose: Extends the school debt reimbursement program until October 31, 2006 and provides designated allocations by school district. Refer to the EED Numbered Memorandum 2005-15 attached.
Activity: Bill not yet signed.
- SB 142 REGIONAL SCHOOL BD LAND OWNERSHIP
Title: An Act relating to ownership of land by regional school boards; and providing for an effective date.
Sponsor: LABOR & COMMERCE
Purpose: Revises statute to exclude REAAs from requesting title to school lands from the state that are located on state airports.
Activity: Signed into law July 1st.
- HB 158 PUBLIC SCHOOL ACCOUNT/PUBLIC EDUC FUND
Title: An Act relating to the public school account and renaming the public school account as the public education fund; and providing for an effective date.
Sponsor: FINANCE
Purpose: Creates the Public Education Fund under AS 14.17.300. Protects year-end excess funds appropriated to Education from reverting to the general fund.
Activity: Passed House and Senate; Signed into law 4/4/05.

Other related legislation not passed during this first session includes:

None.

HB2003 (Debt Reimbursement) Funding Status

Nineteen of 23 eligible districts have submitted applications for debt reimbursement funding of school capital projects under this legislation. A total of 138 projects have been submitted to date. As of June 30, 2005, both EED and local voters had approved 102 projects totaling \$728,165,535. Of these, \$414,636,466 will be reimbursed at 70%, with the remaining \$313,529,069 being reimbursed at 60%. A report showing all activity is provided in this packet under the tab, *School Construction Report*.

Preventive Maintenance Update

On June 1, 2005, the department issued its latest version of the State-of-the-State PM Status (included with this paper). The report listed EED's acceptance of district programs in each of the

five required elements. Forty-six districts are in full compliance (5 of 5). Twenty of the 23 districts using the SERRC maintenance program had 5 of 5; each of the nine districts using another web-based program called School Dude were 5 of 5, the larger districts like Anchorage, Fairbanks, Juneau and Mat-Su use other sophisticated computer-managed maintenance programs to assist them in achieving 5 of 5. As of July 11, 2005, fifty districts have and are using a maintenance management work order system and 51 have submitted evidence of R&R schedules to the department. All but one (Pelican City) of the noncompliant districts are actively pursuing compliance by August 1, 2005.

In response to the revised PM regulations, the department has made visits to ten districts for the required periodic site assessments. To date, the following districts have had reassessments: Kodiak, Tanana, Yukon Flats, Denali, Nenana City, Kuspuk, Cordova, Yakutat City, Aleutians East and Unalaska City. These complete the current September '04 to June '05 cycle. The visit to Tanana, Yukon Flats and Aleutians East districts resulted in a loss of compliance certification. Aleutians East has since recertified by completing the required upgrades to their program use. Tanana and Yukon Flats are making a strong effort toward compliance and CIP eligibility by August 1, 2005. Unalaska City has started working toward compliance and would like to get there by August 1 also.

Upcoming visits are scheduled to start August 22nd with a trip to the Pribilof Island district. That trip will be followed by visits to sixteen other districts before June 1, 2006

Enclosures

1. EED Memorandum 2005-15
2. Preventive Maintenance State-of-the-State
3. Preventive Maintenance Tentative Travel Dates