School Capital Project Funding Under HB 2003

A Report to the Legislature
Introduction

In 2002, the 22\textsuperscript{nd} Legislature of the State of Alaska passed legislation creating a funding mechanism for school capital projects for a two-year period. This mechanism linked state general obligation (G.O.) bond funding for grants to local bond funding for debt reimbursement. Essentially, the state created two funding programs to address school construction and major maintenance issues. One being a grant program and the other, a program that reimburses local municipalities for locally issued bonds for schools. In the bill creating the debt reimbursement portion of the funding mechanism, Ch. 3, SSSL A 2002, the legislature required that the Department of Education & Early Development (DEED) provide a report on the effectiveness of the school construction grant and school construction debt reimbursement programs under AS 14.11.

This report covers activities during the period November 2002 (the date by which the voters approved the state general obligation bonds) to December 31, 2004.
Chronology of Events

**Legislative Action**

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2002</td>
<td>First bill reading (HB 2003)</td>
<td>House Finance</td>
</tr>
<tr>
<td>May 18, 2002</td>
<td>House passage (CSHB 2003)</td>
<td>Passed; Y32, N5, E1, A2</td>
</tr>
<tr>
<td>May 19, 2002</td>
<td>Senate passage w/amendments</td>
<td>Passed; Y20, N-</td>
</tr>
<tr>
<td>May 19, 2002</td>
<td>Transmitted to House</td>
<td></td>
</tr>
<tr>
<td>May 19, 2002</td>
<td>House concurrence w/amendments</td>
<td>Passed; Y38, E1, A1</td>
</tr>
<tr>
<td>June 11, 2002</td>
<td>Transmitted to Governor</td>
<td></td>
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</table>

**Administration Action**

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2, 2002</td>
<td>Signed into law by Governor</td>
<td></td>
</tr>
<tr>
<td>November 2, 2002</td>
<td>Statewide vote on HB 2002 G.O. bonds</td>
<td>Passed 60% to 40%</td>
</tr>
<tr>
<td>November 29, 2002</td>
<td>Ballot results certified</td>
<td></td>
</tr>
<tr>
<td>March 13, 2003</td>
<td>Grant project (HB 2002) review &amp; reductions</td>
<td>EED; reduced $1.672 million</td>
</tr>
<tr>
<td>March 20, 2003</td>
<td>Communication of financial draw &amp; reimbursement process</td>
<td>EED</td>
</tr>
<tr>
<td>April 14, 2003</td>
<td>Bonds sold</td>
<td>DOA Revenue</td>
</tr>
</tbody>
</table>

The preceding chronology illustrates one of the primary challenges of a funding mechanism that is tied to passage of a state G.O. bond initiative—a significantly lengthened timeline for funding. This longer process had the following two important results:

- The loss of one construction season for school capital projects; and
- A corresponding reduction in the purchasing power of the funded amount for each project due to inflation.

**Grant Projects (HB 2002)**

HB 2002 was the companion bill to HB 2003 that provided for a statewide vote on a ballot proposition to fund selected school capital projects using state G.O. bonds. The projects in this funding provision were selected primarily from the DEED priority lists for school construction and major maintenance projects eligible for FY03 grant funding. The priority lists for that year included 58 school construction projects totaling $490 million and 115 major maintenance projects totaling $151 million.
The first 8 projects on the school construction list were fully funded and projects 9 through 13 received design and planning funding under the grant program. Thirty-six major maintenance projects also received funding under the grant program for FY03. The total funding made available as grants for the 49 projects was $168.4 million. It is important to note that the funding for these projects was not available to school districts until May of 2003. Below is a listing of school districts with the project titles and amounts approved by voters in the November 2002 state G.O. bond election.
## K-12 Schools Portion of the November 2002 G.O. Bonds
### $168.4 Million for Construction and Major Maintenance

<table>
<thead>
<tr>
<th>School District</th>
<th>Project Name</th>
<th>Construction Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>School Construction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Yupiit Tuluksak School Improvement</td>
<td>$17,703,793 Jun-03</td>
</tr>
<tr>
<td>2</td>
<td>Yupiit Akiak School Improvement</td>
<td>$13,228,730 Jun-04</td>
</tr>
<tr>
<td>3</td>
<td>Yupiit Akiachak School Improvement</td>
<td>$19,099,094 Jun-04</td>
</tr>
<tr>
<td>4</td>
<td>Lower Yukon Scammon Bay Replacement School</td>
<td>$17,029,762 Sep-03</td>
</tr>
<tr>
<td>5</td>
<td>Bering Strait Teller K-12 Remodel/Addition</td>
<td>$9,226,570 Jun-03</td>
</tr>
<tr>
<td>6</td>
<td>Lower Yukon Hooper Bay Addition/Renovation</td>
<td>$24,423,467 Aug-04</td>
</tr>
<tr>
<td>7</td>
<td>Yukon Flats Circle School Replacement</td>
<td>$4,068,521</td>
</tr>
<tr>
<td>8</td>
<td>Southeast Island Naukati School Replacement</td>
<td>$4,018,031 Mar-04</td>
</tr>
<tr>
<td>9</td>
<td>Lower Yukon Sheldon Point (Nunam Iqua) School Improvement*</td>
<td>$728,549 Jul-04</td>
</tr>
<tr>
<td>10</td>
<td>Bering Strait White Mountain K-12 Remodel/Addition*</td>
<td>$1,138,767</td>
</tr>
<tr>
<td>11</td>
<td>Yukon Flats Arctic Village Addition/Renovation*</td>
<td>$679,162</td>
</tr>
<tr>
<td>12</td>
<td>Southeast Island Howard Valentine School Improvement*</td>
<td>$340,170</td>
</tr>
<tr>
<td>13</td>
<td>Southwest Region New Stuyahok School Improvement*</td>
<td>$2,009,178</td>
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</table>

* Planning and Design Funding

**Subtotal Construction**: $113,693,794

<table>
<thead>
<tr>
<th><strong>Major Maintenance</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Anchorage Wendler Middle School Building Renovation Phase 2</td>
<td>$12,821,521</td>
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<tr>
<td>2</td>
<td>Lower Yukon Hooper Bay Structural Repairs</td>
<td>$0</td>
</tr>
<tr>
<td>4</td>
<td>Chatham Gustavus Gymnasium Renovation</td>
<td>$394,065</td>
</tr>
<tr>
<td>6</td>
<td>Copper River Glennallen Elementary School Upgrade</td>
<td>$927,069</td>
</tr>
<tr>
<td>8</td>
<td>Hoonah City Hoonah Elementary Major Maintenance</td>
<td>$1,805,501</td>
</tr>
<tr>
<td>9</td>
<td>Yupiit Akiak Elementary School Repairs</td>
<td>$0</td>
</tr>
<tr>
<td>10</td>
<td>Chatham Angoon ADA Access Renovation</td>
<td>$134,806</td>
</tr>
<tr>
<td>11</td>
<td>Copper River Glennallen High School Gym Renovation</td>
<td>$152,709</td>
</tr>
<tr>
<td>15</td>
<td>Hydaburg City Hydaburg School Renovation</td>
<td>$5,822,106</td>
</tr>
<tr>
<td>21</td>
<td>Galena Galena High School Floor Renovation</td>
<td>$154,841</td>
</tr>
<tr>
<td>22</td>
<td>Skagway City Skagway Roof Replacement</td>
<td>$177,756</td>
</tr>
<tr>
<td>23</td>
<td>Nenana City Nenana Kitchen/Cafeteria Renovation</td>
<td>$324,287</td>
</tr>
<tr>
<td>25</td>
<td>St Marys Elicavicuar Elementary Boiler Replacement</td>
<td>$161,346</td>
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<tr>
<td>27</td>
<td>Yukon-Koyukuk Kaltag School Renovation</td>
<td>$2,461,577</td>
</tr>
<tr>
<td>28</td>
<td>Tanana City Tanana Major Maintenance</td>
<td>$2,606,707</td>
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<tr>
<td>30</td>
<td>Yakutat City Yakutat High School Gymnasium Structural Repair</td>
<td>$125,801</td>
</tr>
<tr>
<td>40</td>
<td>Chatham Klukwan Mechanical System Renovation</td>
<td>$138,137</td>
</tr>
<tr>
<td>41</td>
<td>Chugach Chenega Bay Major Maintenance</td>
<td>$10,520</td>
</tr>
<tr>
<td>42</td>
<td>Yukon Flats Chalkyitsik Sewage Lagoon &amp; Water Tank Project</td>
<td>$156,249</td>
</tr>
<tr>
<td>43</td>
<td>Kake City Kake Middle School Renovation</td>
<td>$470,415</td>
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<tr>
<td>45</td>
<td>St Marys Elicavicuar Elementary Tank Farm Upgrades</td>
<td>$218,035</td>
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<tr>
<td>47</td>
<td>Kuskuk Kalskag George Morgan Sr, High School Sewage System Replacement</td>
<td>$452,647</td>
</tr>
<tr>
<td>48</td>
<td>Yupiit Akiak High School Access Ramp</td>
<td>$0</td>
</tr>
<tr>
<td>55</td>
<td>Nenana City Nenana Vocational Education Building Renovation</td>
<td>$494,205</td>
</tr>
<tr>
<td>62</td>
<td>Alaska Gateway Northway School Structural Upgrade</td>
<td>$876,636</td>
</tr>
<tr>
<td>63</td>
<td>Alaska Gateway Tetlin Sewer Line Project</td>
<td>$77,081</td>
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<tr>
<td>64</td>
<td>Nenana City Nenana ADA Access</td>
<td>$173,195</td>
</tr>
<tr>
<td>67</td>
<td>Yukon-Koyukuk District-Wide Structural Repairs</td>
<td>$474,162</td>
</tr>
<tr>
<td>70</td>
<td>Yukon-Koyukuk District-Wide Fuel Tank Upgrades</td>
<td>$4,566,932</td>
</tr>
<tr>
<td>73</td>
<td>Yukutat City Yakutat High School Interior Renovation</td>
<td>$72,258</td>
</tr>
<tr>
<td>74</td>
<td>Chugach District-Wide Fuel Tank Upgrade</td>
<td>$133,428</td>
</tr>
<tr>
<td>78</td>
<td>Chugach Tativik Generator Replacement</td>
<td>$154,312</td>
</tr>
<tr>
<td>80</td>
<td>Yukon-Koyukuk District-Wide ADA Code Upgrades</td>
<td>$981,036</td>
</tr>
<tr>
<td>84</td>
<td>St Marys Elicavicuar Elementary Gymnasium/Cafeteria Upgrade</td>
<td>$339,567</td>
</tr>
<tr>
<td>85</td>
<td>Lower Kuskokwim District-Wide Asbestos Abatement</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>86</td>
<td>Hoonah City Hoonah Pool Upgrades</td>
<td>$171,092</td>
</tr>
<tr>
<td>87</td>
<td>Lower Kuskokwim Bethel Region High School Deferred Maintenance</td>
<td>$10,905,286</td>
</tr>
<tr>
<td>89</td>
<td>Yukon Flats Fort Yukon High School Gym Sprinklers</td>
<td>$109,406</td>
</tr>
<tr>
<td>91</td>
<td>Nome Nome-Beltz High School Renovation</td>
<td>$2,681,000</td>
</tr>
</tbody>
</table>

**Subtotal Major Maintenance**: $54,735,691

* Dollar amount was eliminated because the work is being completed as a school construction project.

Total >>> $168,429,485
For the FY04 CIP cycle, 43 districts submitted applications totaling $702 million. Following issuance of the initial list on November 5, 2002, results of the statewide G.O. bond ballot measure were certified and required the removal of municipal school districts with a general population of more than 1,000. Municipalities with less than 1,000 general population were allowed to participate in the grant program because of their limited capacity to issue local bonds to support school projects. As a result, DEED’s December 15 priority lists included just 61 projects in 15 districts. No funding was provided for the FY04 CIP cycle.

Eligibility restrictions also remained in place through the FY05 CIP cycle. The priority lists for FY05 included 27 school construction projects totaling $325 million and 31 major maintenance projects totaling $26 million. The first 11 major maintenance projects received grant funding totaling $5.8 million. The following table lists the projects and state funding level approved for grant funding in FY05.

<table>
<thead>
<tr>
<th>School District</th>
<th>Project Name</th>
<th>State Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Iditarod Area</td>
<td>Blackwell School New Well, Anvik</td>
<td>$90,179</td>
</tr>
<tr>
<td>2 Copper River</td>
<td>Glennallen Elementary School Exterior Upgrade</td>
<td>$2,053,591</td>
</tr>
<tr>
<td>3 Yukon-Koyukuk</td>
<td>Nulato Structural Roof Repair</td>
<td>$812,850</td>
</tr>
<tr>
<td>4 Nenana City</td>
<td>Nenana Boiler Replacement/Heating System Upgrade</td>
<td>$373,737</td>
</tr>
<tr>
<td>5 Alaska Gateway</td>
<td>Tetlin School Site Civil Improvements</td>
<td>$217,794</td>
</tr>
<tr>
<td>6 Yukon-Koyukuk</td>
<td>Allakaket Renovate Water/Sewer Facility</td>
<td>$297,846</td>
</tr>
<tr>
<td>7 Saint Marys</td>
<td>Elicavicuar Elementary Exterior Upgrades</td>
<td>$436,769</td>
</tr>
<tr>
<td>8 Kake City</td>
<td>Kake Elementary Ventilation System Upgrade</td>
<td>$354,626</td>
</tr>
<tr>
<td>9 Alaska Gateway</td>
<td>Tetlin School Building Improvements</td>
<td>$855,840</td>
</tr>
<tr>
<td>10 Iditarod Area</td>
<td>David Louis Memorial School Emergency Repairs &amp; Boiler Relocation, Grayling</td>
<td>$176,525</td>
</tr>
<tr>
<td>11 Iditarod Area</td>
<td>Top Of The Kuskokwim School Boiler Replacement, Nikolai</td>
<td>$170,030</td>
</tr>
</tbody>
</table>

Total $5,839,787
Grant Program Results

During the period from FY03 to FY05, the legislature followed DEED’s priority lists and provided a total of 60 projects with $174.3 million in grant funding. As mentioned previously, the funding mechanism using state G.O. bonds significantly lengthened the timeline for school districts to access the $168.4 million in school construction projects and resulted in two issues.

- The loss of one construction season for school capital projects; and
- A reduction in the purchasing power of each project due to inflation.

Debt Reimbursement Projects (HB 2003)

Provisions in HB 2003 allowed any municipality the opportunity, when authorized by local voters, to issue bonds for the funding of school capital projects. The principle and interest payments would be eligible for partial reimbursement by the state. The bill also restricted most of these entities from submitting applications for grant funding while the window for voter approval of these bonds was open. This effectively acknowledged the ability of some municipalities to bond and recognized those that could not. The following table lists those districts authorized to participate in the debt reimbursement mechanism and their community population certified by the Department of Community and Economic Development for 2001. Table 1 delineates those local governments that actually submitted applications for debt reimbursement projects and of those entities which actually held votes.

Table 1 – Participation by Eligible Districts

<table>
<thead>
<tr>
<th>Municipality/Borough</th>
<th>2001 Population</th>
<th>Submitted DR Application(s)</th>
<th>Submitted to Voters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>260,283</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>82,840</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mat-Su</td>
<td>59,322</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kenai</td>
<td>49,691</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Juneau</td>
<td>30,903</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>14,070</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kodiak</td>
<td>13,913</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>North Slope</td>
<td>9,430</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sitka</td>
<td>8,835</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Northwest Arctic</td>
<td>7,208</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Valdez</td>
<td>4,336</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Unalaska</td>
<td>4,283</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Nome</td>
<td>3,505</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Petersburg</td>
<td>3,224</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Aleutians East</td>
<td>2,679</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dillingham</td>
<td>2,466</td>
<td>✓</td>
<td>Not voter approved</td>
</tr>
<tr>
<td>Cordova</td>
<td>2,454</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Haines</td>
<td>2,392</td>
<td>✓</td>
<td></td>
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<tr>
<td>Wrangell</td>
<td>2,308</td>
<td>✓</td>
<td>Not voter approved</td>
</tr>
<tr>
<td>Denali</td>
<td>2,039</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Lake and Peninsula</td>
<td>1,823</td>
<td>✓</td>
<td>No vote held</td>
</tr>
<tr>
<td>Craig</td>
<td>1,397</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Bristol Bay</td>
<td>1,258</td>
<td>No</td>
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</tr>
</tbody>
</table>
Eighteen districts submitted a total of 130 applications for consideration by the department during the approximate two-year period between November 2002 and December 2004 for a total funding request of over $846 million. Of those applications, the program ultimately provided funding for 106 education related capital projects at $699 million. The remaining 24 projects were either determined to be ineligible for funding under the program, were not supported by the local voters, or were withdrawn from funding consideration due to limited bonding capacity. A listing of all approved projects from November 2002 until December 2004 is attached in Appendix A.

HB 2003 allowed two levels of reimbursement for projects. Reimbursement of 70% was allowed for projects that met all of DEED’s approved space allocation and 60% reimbursement was allowed for projects that exceeded DEED’s maximum space allocation. Of the $699 million in school projects approved under this program, 75 projects totaling $386 million were approved at 70%. The remaining 31 projects totaling $313 million were approved at 60%. The two charts below summarize the above information.

<table>
<thead>
<tr>
<th>District</th>
<th>Number of Projects at 70%</th>
<th>Approved Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage</td>
<td>39</td>
<td>$183,482,477</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>1</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Haines</td>
<td>1</td>
<td>$17,500,000</td>
</tr>
<tr>
<td>Juneau City Borough</td>
<td>6</td>
<td>$91,990,600</td>
</tr>
<tr>
<td>Kenai Peninsula</td>
<td>1</td>
<td>$14,700,000</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>3</td>
<td>$16,714,000</td>
</tr>
<tr>
<td>Kodiak Island</td>
<td>10</td>
<td>$6,540,328</td>
</tr>
<tr>
<td>Mat-Su Borough</td>
<td>5</td>
<td>$6,305,184</td>
</tr>
<tr>
<td>Nome City</td>
<td>2</td>
<td>$1,588,817</td>
</tr>
<tr>
<td>North Slope Borough</td>
<td>3</td>
<td>$7,763,980</td>
</tr>
<tr>
<td>Northwest Arctic</td>
<td>1</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>Petersburg City</td>
<td>1</td>
<td>$3,507,000</td>
</tr>
<tr>
<td>Sitka City Borough</td>
<td>1</td>
<td>$8,890,880</td>
</tr>
<tr>
<td>Valdez City</td>
<td>1</td>
<td>$2,153,200</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>75</strong></td>
<td><strong>$386,136,466</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District</th>
<th>Number of Projects at 60%</th>
<th>Approved Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aleutians East</td>
<td>1</td>
<td>$13,000,000</td>
</tr>
<tr>
<td>Anchorage</td>
<td>12</td>
<td>$186,105,000</td>
</tr>
<tr>
<td>Juneau City Borough</td>
<td>1</td>
<td>$4,454,400</td>
</tr>
<tr>
<td>Kodiak Island</td>
<td>3</td>
<td>$13,302,103</td>
</tr>
<tr>
<td>Mat-Su Borough</td>
<td>4</td>
<td>$43,593,954</td>
</tr>
<tr>
<td>Nome City</td>
<td>1</td>
<td>$2,321,183</td>
</tr>
<tr>
<td>North Slope Borough</td>
<td>4</td>
<td>$10,883,029</td>
</tr>
<tr>
<td>Northwest Arctic</td>
<td>1</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Petersburg City</td>
<td>2</td>
<td>$7,022,600</td>
</tr>
<tr>
<td>Sitka City Borough</td>
<td>1</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Valdez City</td>
<td>1</td>
<td>$14,846,800</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>31</strong></td>
<td><strong>$313,529,069</strong></td>
</tr>
</tbody>
</table>
Annual Debt Service Projections

Prior to the passage of HB 2003, the state share of school debt in FY06 was approximately $57 million and was projected to be paid in full in 2023. With the passage of HB 2003, state share of school debt in FY06 increased to approximately $85 million and was projected to be paid in full by 2029. The school debt reimbursement budget request for FY07 is $94 million. DEED has estimated that the state will incur approximately $6 million in annual liability over a 20-year period for every $100 million approved for school debt reimbursement. The following chart does not include approximately $113 million of approved debt because the municipalities have not sold the bonds. The following chart shows the debt service projections as they stood prior to the passage and implementation of HB 2003, and projections including HB 2003 activity.

Debt Reimbursement Program Results

During the period from FY03 to FY05, the DEED and local voters approved 106 school debt reimbursement projects totaling $699 million. Forty-five percent of the school projects approved under the school debt program qualified for 60% reimbursement. This indicates that the reduced reimbursement rate for projects that exceeded DEED’s space allocation had little, if any, influence with the local municipality or voters when determining the scope of the project and reimbursement rate.

The $699 million approved under the debt reimbursement program exceeded all expectations. Without a limit on the amount of school debt that could be approved an imbalance was created between the debt program and the grant program.
**Conclusion**

During the period between November 2002, and December 31, 2004, over $872 million in school construction and major maintenance projects received funding either as grants or through the school debt reimbursement program. A total of 166 school construction and major maintenance projects will be completed with the funding provided during this time period. Nearly one-third of Alaska’s public schools received construction or major maintenance funding under these combined programs.

The Department of Education & Early Development believes the legislature returned to a reasonable balance between the school debt funding and the school grants funding during the 2005 legislative session. Chapter 3, FSSLA 05 provided Alaska’s public schools with approximately $83 million in grants over a two-year period and Ch. 7, FSSLA 05 approved approximately $192 million in school debt reimbursement authorization available through October 31, 2006.

The state’s annual cost of the school debt reimbursement program will exceed $100 million when the total of both programs comes into repayment.

**Recommendations**

DEED recognizes the benefits of the school construction and major maintenance dual funding mechanisms. However, a balance must be maintained between the two programs. Limits on the amount of school debt reimbursement should be applied with consideration of an appropriate ratio of 30%-40% of the total funding being provided for grants. Over the last 10 years, the grant program has represented approximately 35% of the total funding available for school construction and major maintenance projects.

As a cost containment measure, the department recommends that the reimbursement for school debt projects that exceed DEED’s space allocation guidelines should be less than 60% if the current program is extended.
## APPENDIX

Appendix A – Debt Reimbursement Program by District

State of Alaska  
Department of Education and Early Development  
Voter Approved  
Capital Improvement Projects  
Debt Reimbursement Program (HB 2003)  
Issued December 31, 2004

<table>
<thead>
<tr>
<th>School District</th>
<th>Approval Date</th>
<th>Project Title</th>
<th>Amount Requested</th>
<th>Approved Amount</th>
<th>Rate</th>
<th>EED Status</th>
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<td><strong>Aleutians East</strong></td>
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<td>$12,000,000</td>
<td>$13,000,000</td>
<td>60%</td>
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</table>

| **District Totals for Aleutians East** | | Total Requested: $12,000,000 | Total Approved: $13,000,000 | | | |

<p>| <strong>Anchorage</strong> | 1/24/2003 | Bartlett High School Phase 2 | 26,940,000 | 26,940,000 | 70% | Approved |
| 9/5/2003 | Bartlett High School Phase 2 Design | 500,000 | 1,900,000 | 60% | Approved |
| 2/3/2004 | Bartlett High School Phase 3 Design | 2,000,000 | 1,000,000 | 70% | Approved |
| 9/5/2003 | Birchwood &amp; Chugiak Public Sewer Service | 2,200,000 | 2,200,000 | 70% | Approved |
| 1/24/2003 | Chester Valley Elementary School Design | 750,000 | 750,000 | 60% | Approved |
| 1/24/2003 | Chugach Optional Addition/Renovation | 7,000,000 | 7,500,000 | 60% | Approved |
| 9/5/2003 | Chugiak High School Phase 3 – Deferred | 4,300,000 | 4,300,000 | 70% | Approved |
| 2/3/2004 | Chugiak High School Phase 4 Design | 900,000 | 900,000 | 70% | Approved |
| 9/5/2003 | Chugiak High School Phases 2 and 3 | 7,435,523 | 20,805,000 | 60% | Approved |
| 2/3/2004 | Clark Middle School Replacement - Preliminary Design | 400,000 | 400,000 | 60% | Approved |
| 6/30/2005 | Dimond Demolition Funding (Construction) | 3,000,000 | 3,000,000 | 70% | Approved |
| 1/24/2003 | Districtwide Code Issues/Hazardous Materials/ADA Compliance | 2,365,000 | 2,365,000 | 70% | Approved |
| 9/5/2003 | Districtwide Code Issues/Hazardous Materials/ADA Compliance – 2002 | 1,615,000 | 1,615,000 | 70% | Approved |
| 1/27/2004 | Districtwide Code/Hazmat/ADA Compliance – 2004 | 800,000 | 800,000 | 70% | Approved |
| 1/24/2003 | Districtwide Electrical Projects | 5,257,000 | 5,257,000 | 70% | Approved |
| 1/27/2004 | Districtwide Electrical Projects – 2004 | 9,345,000 | 9,345,000 | 70% | Approved |
| 1/24/2003 | Districtwide Mechanical Projects | 3,990,000 | 3,990,000 | 70% | Approved |
| 9/5/2003 | Districtwide Mechanical Projects – 2002 | 15,795,000 | 15,795,000 | 70% | Approved |
| 1/27/2004 | Districtwide Mechanical Projects – 2004 | 7,230,000 | 7,230,000 | 70% | Approved |
| 1/24/2003 | Districtwide Minor Building Renewal Projects | 5,678,000 | 5,678,000 | 70% | Approved |
| 9/5/2003 | Districtwide Minor Building Renewal Projects – 2002 | 7,260,000 | 7,260,000 | 70% | Approved |
| 1/27/2004 | Districtwide Minor Building Renewal Projects – 2004 | 6,890,000 | 6,890,000 | 70% | Approved |
| 1/24/2003 | Districtwide Restrooms | 2,083,000 | 2,083,000 | 70% | Approved |
| 1/27/2004 | Districtwide Roof Replacement and Repairs | 1,000,000 | 1,000,000 | 70% | Approved |
| 1/24/2003 | Districtwide Roof Replacement and Repairs | 3,499,000 | 3,499,000 | 70% | Approved |
| 9/5/2003 | Districtwide Roof Replacement and Repairs – 2002 | 1,860,000 | 1,860,000 | 70% | Approved |
| 1/27/2004 | Districtwide Security Upgrades - Locks: Phase 2 | 1,300,000 | 1,300,000 | 70% | Approved |
| 1/24/2003 | Districtwide Security Upgrades - Locks: Phase 1 | 750,000 | 750,000 | 70% | Approved |
| 9/5/2003 | Districtwide Sprinkler Upgrades | 2,000,000 | 2,000,000 | 70% | Approved |
| 1/27/2004 | Districtwide Sprinkler Upgrades-2004 | 950,000 | 950,000 | 70% | Approved |
| 9/5/2003 | Districtwide Traffic Safety/Site Upgrades | 675,000 | 675,000 | 70% | Approved |
| 1/24/2003 | Districtwide Traffic Safety/Site Upgrades | 4,128,000 | 4,128,000 | 70% | Approved |
| 1/27/2004 | Districtwide Traffic Safety/Site Upgrades – 2004 | 600,000 | 600,000 | 70% | Approved |</p>
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<th>School District</th>
<th>Approval Date</th>
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<th>Amount Requested</th>
<th>Approved Amount</th>
<th>Rate</th>
<th>EED Status</th>
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<td>8,830,352</td>
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<td>Palmer Junior/Middle School Sprinklers &amp; Piping</td>
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<td>Su-Valley High School, Iditarod, Snowshoe Fire Alarms</td>
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<td>Nome Beltz Renovation and Mechanical/Electrical Upgrades</td>
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<td>6/1/2004</td>
<td>Kali School Additions &amp; Renovations Phase 1 &amp; 2</td>
<td>5,216,981</td>
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<td>Meade River School Classroom Addition</td>
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<td>June Nelson Improvements</td>
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<td>Petersburg Aquatic Center</td>
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<td>District Wide Major Maintenance</td>
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GRAND TOTALS:

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