

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Education and Early Development  
School Debt Reimbursement  
BRU/Component

## **Component: School Debt Reimbursement**

**Contact: Karen J. Rehfeld, Director**

**Tel:** (907) 465-8650 **Fax:** (907) 465-3452 **E-mail:** Karen\_Rehfeld@eed.state.ak.us

### **Component Mission**

To provide timely reimbursement of school construction debt that is financed by approved municipal bond sales and locally generated revenue.

### **Component Services Provided**

On October 15 each year, the Department of Education & Early Development receives notification from eligible school districts of voter approval on bonds for school construction projects and estimated debt service related to the issuance and payment of bonds. The district entitlement is calculated on the basis of statutory reimbursement rates, based on the date of project approval and/or voter approval date, and is limited to that amount requested for allocation by the district in accordance with AS 14.11.102. This information is used to generate an annual budget for the debt service payments in accordance with AS 14.11.100.

After the legislature has appropriated funds for the debt retirement program, the department distributes these funds to municipalities on a reimbursable basis. The distribution is based on the total amount paid by each municipality annually. If sufficient funds are not appropriated to match the entitlement, the department distributes the funds on a pro rata basis.

### **Component Goals and Strategies**

- \* Provide timely reimbursement for debt service based on each district's entitlement.
- \* Issue monthly or quarterly payments to municipal school districts.
- \* Verify entitlements as payments are made.

### **Key Component Issues for FY2001 – 2002**

Securing a long-term stable source of funding for school construction and major maintenance projects continues to be a key issue.

### **Major Component Accomplishments for FY2000**

Completed timely reimbursement of school construction debt to municipal school districts

### **Statutory and Regulatory Authority**

AS 14.11.100      4 AAC 31

**School Debt Reimbursement**  
**Component Financial Summary**

*All dollars in thousands*

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	555.2	556.7	556.7
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	64,349.8	52,262.2	56,463.8
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>64,905.0</b>	<b>52,818.9</b>	<b>57,020.5</b>
<b>Funding Sources:</b>			
1030 School Fund (Cigarette Tax)	43,836.1	29,337.3	29,049.1
1044 Debt Retirement	21,068.9	23,481.6	27,971.4
<b>Funding Totals</b>	<b>64,905.0</b>	<b>52,818.9</b>	<b>57,020.5</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
School Fund (Cigarette Tax)	51070	43,836.1	58,674.6	0.0	29,049.1	0.0
Debt Retirement Fund	51391	21,068.9	46,963.2	0.0	27,971.4	0.0
<b>Restricted Total</b>		<b>64,905.0</b>	<b>105,637.8</b>	<b>0.0</b>	<b>57,020.5</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>64,905.0</b>	<b>105,637.8</b>	<b>0.0</b>	<b>57,020.5</b>	<b>0.0</b>

**School Debt Reimbursement**

**Proposed Changes in Levels of Service for FY2002**

Increase due to the projected debt service based on reimbursement of bonds for municipal school districts during FY2002.

**Summary of Component Budget Changes**

**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>52,818.9</b>	<b>52,818.9</b>
<b>Proposed budget increases:</b>				
-School Debt Funding	0.0	0.0	4,201.6	4,201.6
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>57,020.5</b>	<b>57,020.5</b>