Education Facilities Excellence Act of 2007

Act No: 2007-415, Section 10

Alabama Public School and College Education Incentive Fund

Grant Application for Capital Expenditures

DATED MATERIAL—OPEN IMMEDIATELY

Closing Date: January 11, 2008

Joseph B. Morton, State Superintendent of Education, and Secretary
Alabama Public School and College Education Incentive Fund Council
P. O. Box 302101
50 North Ripley Street
Montgomery, AL 36104-2101
Telephone: 334-242-9700
FAX: 334-242-9708
Alabama Public School and College Education Incentive Fund Grant Application

COUNCIL

The Alabama Public School and College Education Incentive Fund Council members:

- Lieutenant Governor, Jim Folsom, Jr.
- State Director of Finance, Jim Main
- Governor's Appointee (non-elected official), Dave Stewart, Chief of Staff
- Chair of Senate Finance Taxation-Education Committee, Senator Hank Sanders
- Chair of House Education Appropriations Committee, Representative Richard Lindsey
- State Superintendent of Education, Joseph B. Morton

ELIGIBLE ENTITIES

The following public Alabama entities may apply for grants:

- K-12 Local Education Agencies (by and through their local boards of education)
- Colleges of Postsecondary Education (Two-Year)
- Higher Education Institutions (Four Year)
- Public Libraries

SPECIFICATIONS

Grant applications approved by the Council and authorized from the fund for capital expenditures shall include, but not be limited to, matching local funds for the consolidation of schools; the advancement of technology; capital losses as the result of natural disasters; infrastructure for fast-growing school systems or institutions; career technical facilities; public libraries; and capital needs to assist schools that are not accredited by the Southern Association of Colleges and Schools. For additional information, see ACT NO: 2007-415.

Grant applications MUST CONTAIN the completed Grant Application Form (see attached) and a detailed description of the requested project.

The Council may require a local match for certain capital projects.

AMOUNTS

Grant applications will be considered for capital expenditures between the amounts of $25,000 to $250,000 unless exceptional circumstances warrant an exception to the stated range of amounts.

NOTIFICATION

The Council will notify grant recipients if and when the grant application is approved.

APPLICATION AVAILABLE - September 17, 2007

Applications will be mailed to the eligible entities and available on the Alabama State Department of Education website at: http://www.alsde.edu.

DEADLINE

Grant applications are to be received no later than the closing date of: FRIDAY – JANUARY 11, 2008

SUBMITTAL - Envelope for submittal should be marked: ATTENTION - APSCE Incentive Fund Grant Application

The original and six (6) copies of the grant application shall be submitted to:

Joseph B. Morton, State Superintendent of Education, and Secretary
Alabama Public School and College Education Incentive Fund Council
P. O. Box 302101
50 North Ripley Street
Montgomery, AL  36104-2101
GRANT APPLICATION FORM
(Separate application form required for each project)

Project Application Number: ________________
(To be filled in by Incentive Fund Council)

ALABAMA PUBLIC SCHOOL AND COLLEGE EDUCATION INCENTIVE FUND
ACT NO: 2007-415

THIS FORM MUST BE COMPLETED IN ITS ENTIRETY TO BE ACCEPTED

All grant applications must be submitted by one of the following designated public entities:
- K-12 Local Education Agencies, by and through their local boards of education;
- Colleges of Post-Secondary Education (2-year);
- Higher Education Institutions (4-year), and
- Public Libraries.

Please list House and Senate Districts or name of legislator(s) represented by this project request:
HOUSE ____________________________
SENATE ____________________________

All Grant Applications Must Be Submitted To:
Joseph B. Morton, State Superintendent of Education
APSCE Incentive Fund Council
P. O. Box 302101
50 North Ripley Street
Montgomery, AL 36104-2101

Each entity must submit one (1) original
and six (6) copies (including attachments)

DESIGNATED ENTITY: ____________________________
PROJECT NAME: ____________________________
PROJECT ADDRESS: ____________________________
FUNDS REQUESTED: $ ____________________________

[Invoices will be paid by the State to vendors on behalf of entities receiving allotments]

DESCRIPTION OF PROJECT/JUSTIFICATION:
Include attachments (cost estimates, endorsements, etc. are acceptable). Please use additional sheet(s) if necessary.

APPLICATION SUBMITTED BY: ____________________________
TITLE: ____________________________
MAILING ADDRESS: ____________________________
__________________________________________
__________________________________________
__________________________________________

SIGNATURE: ____________________________ E-MAIL: ____________________________

CONTACT PERSON: ____________________________ PHONE NO: ____________________________ FAX: ____________________________
(If additional information is required)
HB21
93755-2
By Representative Lindsey
RFD: Education Appropriations
First Read: 06-MAR-07
PFD: 01/30/2007
ENROLLED, An Act,

To authorize the Alabama Public School and College Authority to sell and issue $1,070,585,022 in aggregate principal amount of additional bonds for capital improvements for the support of public education and to use such funds for repayment of certain debt incurred for capital improvements; to provide funds for capital improvements for the K-12 public schools, including technology funds, the Alabama School of Fine Arts, the Alabama School of Mathematics and Science; to provide funds for capital improvements for the Two-year College System and Athens State University; to provide funds for capital improvements for training workers for new and expanded industries; to provide funds for capital improvements for public institutions of higher education; to provide funds for capital improvements for the Marine Environmental Sciences Consortium, the Department of Youth Services, the Department of Rehabilitation Services, the Alabama Historical Commission, the Department of Archives and History, the Department of Forensic Sciences, the Black Belt School Systems, school systems that have experienced catastrophic loss, Tuskegee University, the Alabama Technology Network, state trooper/corrections training facility, and for the Board of Trustees of the Alabama Institute for Deaf and Blind; to create the Alabama Public School and College Education
Incentive Fund and the Alabama Public School and College
Education Incentive Fund Council and to provide funds to the
Council; to authorize the Authority to reimburse the Building
Commission, the Department of Finance, and the State
Treasurer's office for costs incurred in providing services
for the Authority; to authorize the Authority to provide for
the details of the bonds and the sale and issuance thereof; to
make an appropriation and pledge for payment of the principal
and interest on the bonds from specific taxes necessary to pay
the principal and interest at their respective maturities and
authorizes the Authority to pledge for payment of the
principal and interest on the bonds the funds that are
appropriated and pledged; to provide for the investment of
funds by the State Treasurer; to provide that the bonds shall
not constitute a debt of the state but shall be limited
obligations payable out of the funds appropriated and pledged
therefor; to provide that the bonds and income therefrom shall
be exempt from all taxation in this state and that the bonds
may be used to secure deposits of funds of this state and its
political subdivisions, instrumentalities and agencies and for
investment of fiduciary funds; to authorize the Authority to
establish procedures and requirements to ensure compliance
with the tax covenants with which the Authority must comply;
to exempt the bonds from the usury laws of the state; to
authorize the Authority to issue refunding bonds and give the
details of such refunding; to provide for the employment of attorneys, fiscal advisors, trustees, paying agents, investment bankers, banks, and underwriters and for the payment of all expenses incurred in the issuance of the bonds; to provide that after payment of the expenses of the issuance of the bonds the proceeds from the sale thereof shall be disbursed on order or warrants issued by or under the direction of the Authority for the purposes for which the bonds are authorized to be issued; to provide for the timely expenditure of the proceeds from the sale of the bonds; to provide for use of amounts repaid to the Authority by local boards of education and to provide that if any portion of this act should be held invalid such holding shall not affect the validity of any other portion thereof; and to require all projects using bond proceeds to have all plans, specifications, construction, reconstruction, alteration, improvement, and equipping of building to be supervised by the State Building Commission and to provide for the payments of its reasonable cost in reviewing contract documents and supervising and inspecting the work.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Short Title. This act shall be known and may be cited as the "Education Facilities Excellence Act of 2007."
Section 2. Definitions. Wherever used in this act, the following terms shall have the following meanings respectively, unless the context clearly indicates otherwise:

(1) "1965 Act" means Act No. 243 enacted at the 1965 First Special Session of the Legislature, codified as Title 16, Chapter 16, Code of Alabama 1975.

(2) "1971 Acts" means Act No. 94 enacted at the 1971 First Special Session of the Legislature, Act No. 2428 enacted at the 1971 Regular Session of the Legislature, and Act No. 56 enacted at the 1971 Second Special Session of the Legislature.

(3) "1973 Act" means Act No. 1277 enacted at the 1973 Regular Session of the Legislature as amended by Act No. 73 enacted at the 1975 Third Special Session of the Legislature and Act No. 1223 enacted at the 1975 Regular Session of the Legislature.

(4) "1978 Act" means Act No. 138 enacted at the 1978 Second Special Session of the Legislature, as amended by Act No. 79-81 enacted at the 1979 Special Session of the Legislature and Act No. 81-827 enacted at the 1981 Regular Session of the Legislature.


(7) "1995 Act" means Act No. 95-752 enacted at the
1995 Regular Session of the Legislature.

(8) "1998 Act" means Act No. 98-373 enacted at the
1998 Regular Session of the Legislature.

(9) "1999 Act" means Act No. 99-348 enacted at the
1999 Regular Session of the Legislature.

(10) "2001 Act" means Act No. 2001-668 enacted at
the 2001 Regular Session of the Legislature.

(11) "2002 Act" means Act No. 2002-240 enacted at
the 2002 Regular Session of the Legislature.

(12) "2003 Act" means Act No. 2003-436 enacted at
the 2003 Second Special Session of the Legislature.

(13) "Authority" means Alabama Public School and
College Authority.

(14) "Bonds" (except where that word is used with
reference to bonds issued under another act) means those
bonds, other than Refunding Bonds, issued under the provisions
of this act.

(15) "Capital Improvement" means capital outlay
projects that include the planning, designing, inspection,
purchasing, construction, reconstruction, enlargement,
 improvement, repair, or renovation of permanent buildings
containing classrooms, offices, libraries, laboratories,
clinical or teaching facilities, dormitories, vocational and
professional and industrial training facilities, cafeterias,
alternative schools, physical education facilities, research facilities, academic structures to reduce portable classrooms or substandard classroom facilities, related improvements and land as sites therefor, together with furnishings and equipment required for the operation of the facilities and the programs provided therein.

(16) "Commission" means the building commission created by Section 41-9-140 Code of Alabama 1975, and its successors as the state agency for awarding construction contracts and supervising construction.

(17) "Government Securities" means any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent such obligations are unconditionally guaranteed by the United States of America and any certificates or any other evidences of an ownership interest in such obligations of, or unconditionally guaranteed by, the United States of America or in specified portions thereof (which may consist of the principal thereof or the interest thereon).

(18) "Legislature" means the Legislature of Alabama.

(19) "Permitted Investments" means (i) Government Securities; (ii) bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Bank
for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Banks; Federal Farm Credit Bank; Export-Import Bank of the United States; Federal Land Banks; or Farmers Home Administration or any other agency or corporation which has been or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof; (iii) bonds, notes, pass through securities or other evidences of indebtedness of Government National Mortgage Association and participation certificates of Federal Home Loan Mortgage Corporation; (iv) full faith and credit obligations of any state, provided that at the time of purchase such obligations are rated at least "AA" by Standard & Poor's Ratings Group and at least "Aa" by Moody's Investors Service; (v) public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by contracts with the United States of America, or temporary notes, preliminary notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment to both principal and interest by a requisition or payment agreement with the United States of America; (vi) time deposits evidenced by certificates of deposit issued by banks or savings and loan associations which are members of the Federal Deposit Insurance Corporation, provided that, to the extent such time deposits are not covered by federal deposit
insurance, such time deposits (including interest thereon) are fully secured by a pledge of obligations described in clauses (i), (ii), (iii), and (v) above, which at all times have a market value not less than the amount of such bank time deposits required to be so secured and which meet the greater of 100% collateralization or the "AA" collateral levels established by Standard & Poor's Ratings Group for structured financings; (vii) repurchase agreements for obligations of the type specified in clauses (i), (ii), (iii), and (v) above, provided such repurchase agreements are fully collateralized and secured by such obligations which have a market value at least equal to the purchase price of such repurchase agreements which are held by a depository satisfactory to the State Treasurer in such manner as may be required to provide a perfected security interest in such obligations, and which meet the greater of 100% collateralization or the "AA" collateral levels established by Standard & Poor's Ratings Group for structured financings; and (viii) uncollateralized investment agreements with, or certificates of deposit issued by, banks or bank holding companies, the senior long-term securities of which are rated at least "AA" by Standard & Poor's Ratings Group and at least "Aa" by Moody's Investors Service.

(20) "Refunding Bonds" means those refunding bonds issued under the provisions of this act.
(21) "State" means the State of Alabama.

(22) "Trust Fund" means the Education Trust Fund, formerly designated as the Alabama Special Educational Trust Fund, the name of which was changed to the Education Trust Fund, effective October 1, 1996, pursuant to Act No. 95-264 enacted at the 1995 Regular Session of the Legislature.

Nouns and pronouns when used in this act shall be deemed to include both singular and plural and all applicable genders.

Section 3. Authorization to Issue Additional Bonds and Purposes Thereof.

(a) The Authority is hereby authorized to sell and issue its Bonds in the aggregate principal amount of $1,070,585,022 and to apply the proceeds as provided in this act, to include the following purposes: paying the costs of capital improvements for public education purposes in the State; providing funds for capital improvements for the Department of Youth Services; providing funds for capital improvements for the Department of Rehabilitation Services; providing funds to the Board of Trustees of the Alabama Institute for Deaf and Blind for capital improvements and fleet renewal; providing funds to the Two-year College System and Athens State University for capital improvements; providing funds for capital improvements to public institutions of higher education; providing funds for capital
improvements for the Marine Environmental Sciences Consortium;
providing funds for capital improvements for the Alabama
Historical Commission; providing funds for capital
improvements for the Department of Forensic Sciences;
providing funds for capital improvements for a state
trooper/corrections training facility; providing funds for
capital improvements for the Department of Archives and
History; providing funds for capital improvements for
workforce development; providing funds for capital
improvements for the Alabama Technology Network; providing
funds for capital improvements for Tuskegee University; and
providing funds for the retirement of existing debt that has
been incurred by recipients of allocations to pay for capital
costs.

(b) The Bonds authorized by this act to be issued by
the Authority shall be in addition to all other bonds
previously authorized to be issued by it, and the powers
conferred on the Authority by this act are in addition to all
other powers heretofore conferred on the Authority by acts
heretofore enacted by the Legislature.

Section 4. Execution and Other Details of the Bonds.
The Bonds shall be signed by the president or vice-president
of the Authority, and the seal of the Authority affixed
thereto (or a facsimile thereof imprinted thereon) and
attested by its secretary. All signatures of the president,
vice-president, and secretary may be facsimile signatures if
the Authority, in its proceedings with respect to issuance,
provides for manual authentication (which may be in the form
of a certificate as to registration) of the Bonds by a
trustee, registrar or paying agent or by named individuals who
are employees of the State and who are assigned to the Finance
Department or State Treasurer's Office of the State. All Bonds
bearing signatures or facsimiles of the signatures of officers
of the Authority in office on the date of signing thereof
shall be valid and binding notwithstanding that before the
delivery thereof and payment therefor, any officer whose
signature appears thereon shall have ceased to be an officer
of the Authority. The Bonds and the income therefrom shall be
exempt from all taxation in the State of Alabama, may be used
as security for deposits, and shall be eligible for
investments of fiduciary funds, as provided in the 1965 Act.
The Bonds shall be construed to have all the qualities and
incidents of negotiable instruments subject to any
registration provisions pertaining to transfers. The Authority
and the Bonds shall be exempt from all laws of the State
governing usury including, without limitation, the provisions
of Title 8, Chapter 8, Code of Alabama 1975, or any subsequent
statute of similar import. The Bonds shall be in such form or
forms and denomination or denominations and of such tenor and
maturities, shall bear such rate or rates of interest payable
and evidenced in such manner, may be made subject to
redemption prior to their maturities, and may contain
provisions not inconsistent with this act, all as may be
provided by the resolution of the Authority under which the
Bonds may be issued; provided, that no Bonds shall have a
specified maturity date later than twenty years after their
date; and provided further, that those Bonds having maturities
more than ten years after their date shall be subject to
redemption at the option of the Authority on any date on and
after the tenth anniversary after their date at such
redemption price or prices and under such conditions as may be
prescribed in the proceedings of the Authority under which
they are issued. For the purpose of paying the principal of,
premium, if any, and interest on the Bonds or any Refunding
Bonds, the Authority shall designate the State Treasurer or
such bank or banks as the Authority, in its discretion,
determines to be appropriate and desirable. Funds for the
payment of debt service shall be transferred by the Authority
or the State Treasurer on behalf of the Authority to the
designated paying agent on the actual due date of such
principal, premium, if any, or interest.

Section 5. Sale of the Bonds. The Bonds may be sold
by the Authority from time to time in series, and if sold in
more than one series, may all be authorized in one initial
resolution of the Authority with the pledges therefor made by
the Authority in such initial resolution although some of the
details applicable to each series may be specified in the
respective resolutions under which the different series are
issued. The Authority, in the course of establishing, by
resolution, a principal amount of Bonds to be authorized for
sale at any given time, or to be sold in any series, may take
into account the existence of any unexpended proceeds of prior
issues of bonds of the Authority (and of any other issuer, if
such should be deemed by the Authority to be relevant), and
may structure the portions of the allocations provided for in
Section 9 of this act to be distributed from the proceeds of a
particular series (constituting less than all the Bonds
authorized by this act) as the Authority deems necessary or
prudent in order to enable the Authority to comply with any
tax covenants that may be required of it, or that may be
deemed by it to be prudent to be given by it, in connection
with the sale of any series of the Bonds. Each series of the
Bonds shall be sold competitively only at public sale, on
sealed bids which may be submitted either electronically or in
writing, after such advertisement as shall be prescribed by
the Authority and at such time or times as the Authority may
consider advantageous, to the bidder whose bid reflects the
lowest true interest cost to the Authority computed to the
respective maturities of the Bonds being sold (considering
mandatory redemption as scheduled maturity); provided, that if
no bid deemed acceptable by the Authority is received it may
reject all bids. The Authority may fix the method and the
terms and conditions under which the sale of any series of the
Bonds may otherwise be held; provided that such terms and
conditions shall not conflict with any requirement of this
act. Approval by the Governor of Alabama of the terms and
conditions under which any of the Bonds may be issued shall be
requisite to their validity. Before any series of the Bonds
shall be offered for sale by the Authority, the Governor shall
first determine that the issuance of that series of Bonds and
the application of the taxes pledged to the payment of the
principal of the Bonds as they mature and the interest thereon
as the same shall come due will not impair the adequacy of the
Trust Fund to pay appropriations therefrom and to support the
public schools and institutions of higher learning during the
period over which the Bonds will mature. The Governor's
determination in this regard shall be in writing signed by the
Governor and such determination shall be final and conclusive.
Neither a public hearing nor consent of the State Department
of Finance or any other department or agency shall be a
prerequisite to the issuance of any of the Bonds.

Section 6. Appropriation of Revenues to the
Authority; Pledge Thereof for the Benefit of the Bonds. For
the purpose of providing for payment of the principal, premium
(if any), and interest on the Bonds, and to accomplish the
objectives of this act, there is hereby irrevocably pledged to
those purposes, and hereby appropriated, such amount as may be
necessary therefor from the following sources:

(a) The residue of the receipts from the excise tax
("the utility gross receipts tax") levied by Title 40, Chapter
21, Article 3, Code of Alabama 1975, as amended ("Article 3"),
remaining after payment of the expenses of administration and
enforcement of Article 3, being that portion of the tax that
is required by Article 3 to be deposited in the State Treasury
to the credit of the Trust Fund, after there shall have been
taken from the residue the amount necessary to pay at their
respective maturities the principal of and interest on those
bonds issued by the Authority under the 1965 Act, the 1971
Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act,
the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the
2002 Act, the 2003 Act, or this Act that may be outstanding at
the time of the delivery of the respective series of the Bonds
authorized herein;

(b) The residue of the receipts from the excise tax
("the utility service use tax") levied by Title 40, Chapter
21, Article 4, Code of Alabama 1975 ("Article 4"), remaining
after payment of the expenses of administration and
enforcement of Article 4, being that portion of the tax that
is required by Article 4 to be deposited in the State Treasury
to the credit of the Trust Fund, after there shall have been
taken from the residue the amount necessary to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, or this Act that may be outstanding at the time of the delivery of the respective series of the Bonds authorized herein;

(c) To the extent and to the extent only that the revenues appropriated in the foregoing subsections (a) and (b) of this Section may not be sufficient to pay at their respective maturities the principal of, premium, if any, and interest on the Bonds, the residue of the receipts from the excise tax ("the sales tax") levied by Title 40, Chapter 23, Article 1, Division 1, Code of Alabama 1975, as amended ("Article 1"), after there shall have been taken from the residue the amounts appropriated for other educational purposes in Section 40-23-35, Code of Alabama 1975 (which residue constitutes that portion of the receipts from the sales tax that is now required by law to be paid into the Trust Fund), and after there shall have been taken from the residue amounts sufficient to meet all prior charges on the residue including such amounts as may be necessary to pay at their respective maturities the principal of and interest on those bonds issued by the Authority under the 1965 Act, the
1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, or this Act that may be outstanding at the time of the delivery of the respective series of the Bonds authorized herein; and

(d) To the extent and to the extent only that the revenues appropriated in the foregoing subsections (a), (b), and (c) of this Section may not be sufficient to pay at their respective maturities the principal of, premium, if any, and the interest on the Bonds, the residue of the receipts from the excise tax ("the use tax") levied by Title 40, Chapter 23, Article 2, Code of Alabama 1975, as amended ("Article 2"), after there shall have been taken from the residue the amount necessary to meet the expenses of the State Department of Revenue in collecting the use tax (which residue constitutes that portion of the receipts from the use tax that is now required by law to be paid into the Trust Fund), and after there shall have been taken from the residue such amounts as may be necessary to meet all prior charges on the use tax including the amounts sufficient to pay at their respective maturities the principal of and interest on those outstanding bonds referred to in subsection (c) of this Section.

All monies hereby appropriated and pledged shall constitute a sinking fund for the purpose of paying the principal of, premium, if any, and interest on the Bonds. The
State Treasurer is authorized and directed to pay at their
respective maturities the principal of, premium, if any, and
interest on the Bonds out of this fund and out of the residues
of the tax receipts herein appropriated and pledged for the
benefit of the Bonds, and is further authorized and directed
to set up and maintain appropriate records pertaining thereto.

Section 7. Bonds to be Payable Solely out of the
Revenues Appropriated; Authorization for Authority to Pledge
Such Revenues for the Bonds. The Bonds shall not be general
obligations of the Authority but shall be limited obligations
payable solely out of the residues of the tax receipts
appropriated and pledged in Section 6 of this act. All Bonds
issued by the Authority pursuant to the provisions of this act
shall be solely and exclusively obligations of the Authority
and shall not constitute or create an obligation or debt of
the State. As security for the payment of the principal of,
premium, if any, and interest on the Bonds, the Authority is
hereby authorized and empowered to pledge the residues of the
tax receipts that are appropriated and pledged in Section 6
hereof for such purposes. All such pledges made by the
Authority shall take precedence in the order of the adoption
of the resolutions containing the pledges. All such pledges
shall be prior and superior to any pledges that may be made
for any refunding bonds hereafter issued by the Authority
under the provisions of any of the 1965 Act, the 1971 Acts,
the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the
1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002
Act, the 2003 Act or any other act heretofore enacted.

Section 8. Refunding Bonds. For the purpose of
refunding any Bonds or Refunding Bonds of the Authority issued
under the provisions of this act, the 1965 Act, the 1971 Acts,
the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the
1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002
Act or the 2003 Act or any other act previously enacted, or
any combination thereof, whether such refunding shall occur
before, at or after the maturity of the Bonds refunded and for
the purpose of paying all premiums and expenses of such
refunding (including, but not limited to, attorneys' fees,
costs of printing the Refunding Bonds, fiscal agents' fees,
and accountants' fees), the Authority is hereby authorized to
sell and issue its Refunding Bonds. Such Refunding Bonds may
be sold and issued from time to time, at public sale, on
sealed bids and on such other terms and conditions as the
Authority shall determine to be advantageous and shall adopt
and provide for in its proceedings for the sale and issuance
of such Refunding Bonds. Provided, however, no Refunding Bonds
shall be issued unless the present value of all debt service
on the Refunding Bonds (computed with a discount rate equal to
the true interest rate of the Refunding Bonds and taking into
account all underwriting discount and other issuance expenses)
shall not be greater than 95 percent of the present value of all debt service on the Bonds to be refunded (computed using the same discount rate and taking into account the underwriting discount and other issuance expenses originally applicable to such Bonds) determined as if such Bonds to be refunded were paid and retired in accordance with the schedule of maturities (considering mandatory redemption as scheduled maturity) provided at the time of their issuance. Provided further that the average maturity of the Refunding Bonds, as measured from the date of issuance of such Refunding Bonds, shall not exceed by more than three years the average maturity of the Bonds to be refunded, as also measured from such date of issuance, with the average maturity of any principal amount of Bonds to be determined by multiplying the principal of each maturity by the number of years (including any fractional part of a year) intervening between such date of issuance and each such maturity, taking the sum of all such products, and then dividing such sum by the aggregate principal amount of Bonds for which the average maturity is to be determined. For the purpose of providing funds to enable the Authority to pay at their respective maturities the principal of, premium, if any, and interest on the Refunding Bonds issued under this act, the Authority is hereby authorized to pledge irrevocably for such purpose, and there is hereby appropriated for such purpose, such amount as may be necessary of the residues of the
receipts from the excise taxes pledged and appropriated in subsections (a), (b), (c), and (d) of Section 6 of this act, any reserves or sinking funds established by the Authority, as well as revenues of the Authority from any other sources specified in the proceedings wherein the Refunding Bonds are authorized to be issued. Pending the application of the proceeds of Refunding Bonds issued in accordance with this Section, the proceeds, together with investment earnings therefrom, and amounts in any sinking fund, together with investment earnings thereon, may be held by the State Treasurer as treasurer of the Authority in trust, or may be deposited by the State Treasurer in trust, on such terms as the State Treasurer and the Authority shall approve, with a trustee or escrow agent, which trustee or escrow agent shall be a banking institution or trust company authorized to exercise trust powers in Alabama, for investment in Permitted Investments. Proceeds of Refunding Bonds shall be so invested and applied as to assure that the principal, interest, and redemption premium, if any, on the Bonds being refunded shall be paid in full on the respective maturity, redemption, or interest payment dates. Refunding Bonds issued by the Authority shall not be general obligations of the Authority but shall be payable solely from the sources specified in this act and in the proceedings whereby the Refunding Bonds are authorized to be issued. All Refunding Bonds issued by the

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Authority shall be solely and exclusively obligations of the Authority and shall not create debts of the State of Alabama. The faith and credit of the State of Alabama shall never be pledged for the payment of any Refunding Bonds issued by the Authority under this act. The Authority may contract with respect to the safekeeping and application of the proceeds of Refunding Bonds and other funds included therewith and the income therefrom, and shall have the right and power to appoint a trustee therefore, which may be any bank or company authorized to exercise trust powers and located within and/or without the State. All other provisions of this act shall apply to the Refunding Bonds issued hereunder except (a) the limitation contained in Section 3 of this act on the amount of Bonds that may be issued under this act and (b) the provisions of Section 9 of this act. All pledges made by this act, or by the Authority pursuant to the provisions of this act, for the benefit of Refunding Bonds issued under this act, and all such pledges for the benefit of Refunding Bonds which may be issued to refund any bonds issued under any of the 1965 Act, the 1971 Acts, the 1973 Act, the 1978 Act, the 1985 Act, the 1990 Act, the 1995 Act, the 1998 Act, the 1999 Act, the 2001 Act, the 2002 Act, the 2003 Act, or this Act, shall take precedence in the order of the adoption of the resolutions authorizing the issuance of such Refunding Bonds. Bonds refunded prior to their maturity with the proceeds of Refunding Bonds shall be
deemed paid and the pledges herein and by the Authority made
for the payment thereof defeased if the Authority, in its
proceedings regarding issuance of the Refunding Bonds shall
provide for and establish a trust or escrow fund comprised of
monies or Government Securities, or both, sufficient to pay,
when due, the entire principal of, premium, if any, and
interest on the Bonds to be refunded thereby; provided, that
such Government Securities shall not be subject to redemption
prior to their maturities other than at the option of the
holder thereof. Upon the establishment of such a trust or
escrow fund, the refunded Bonds shall no longer be deemed to
be outstanding, shall no longer be secured by the funds
pledged therefor in Section 6 of this act, shall no longer be
obligations of the Authority and shall be secured solely by
and payable from monies and Government Securities deposited in
such trust or escrow fund.

Section 9. Use of Bond Proceeds.

(a) The proceeds derived from each sale of the Bonds
issued pursuant to this act shall be deposited in the State
Treasury and shall be carried in a separate fund therein for
the account of the Authority, which shall pay the expenses of
issuance therefrom. The expenses of issuance of the Bonds
shall be prorated among the recipients of the proceeds from
the sale of the Bonds in proportions they receive allocations
of the proceeds thereunder. The proceeds from the sale of the
Bonds remaining after payment of the expenses of issuance thereof shall be retained in said fund and, until they are paid out, shall be invested by the State Treasurer at the direction of the Authority in Permitted Investments maturing at such time or times as the Authority shall direct.

(b) Proceeds from the sale of the Bonds and the earnings thereon shall be paid out from time to time on orders or warrants issued by or at the direction of the Authority for any one or more of the purposes specified in this act, to include the following allocations:

(1) $658,640,517 to be allocated and expended on behalf of the K-12 public education in this state as follows:
   a. Two hundred thousand dollars to be allocated and expended on behalf of each local board of education in the state to pay the cost of capital improvements.
   b. Two hundred ninety five million sixteen thousand four hundred six dollars ($295,016,406) to be allocated and expended on behalf of local boards of education, pro rata, based on the 2006-2007 first 20 scholastic days after Labor Day of average daily membership of public schools, to pay the cost of capital improvements.
   c. Two hundred ninety five million sixteen thousand four hundred six dollars ($295,016,406) to be allocated and expended on behalf of local boards of education, pro-rata, based on each local board's share of the allocation of the
Public School Fund for the fiscal year ending September 30, 2008, to pay the cost of capital improvements.

d. Fifteen million dollars ($15,000,000) of the proceeds derived from the sale of the Bonds to be allocated and expended from time to time on orders of the Authority for the Black Belt School Systems to pay the cost of capital improvements. The State Superintendent of Education shall oversee the expenditure of these bond proceeds, the allocation of which shall be based on average daily membership for the 2006-2007 first 20 scholastic days after Labor Day in the Bullock County School System; Choctaw County School System; Dallas County School System; Demopolis City School System; Greene County School System; Hale County School System; Linden City School System; Lowndes County School System; Macon County School System; Marengo County School System; Perry County School System; Pickens County School System; Selma City School System; Sumter County School System; and Wilcox County School System (Black Belt School Systems). Consideration shall be given to individual schools within each school system that are not accredited by Southern Association of Colleges and Schools if capital expenditures would assist in obtaining accreditation.

e. $13,405,923 of the proceeds derived from the sale of the Bonds to be allocated to the following school systems that have experienced catastrophic loss due to hurri-
canes, tornadoes and fire to pay the costs of capital improvements.

Tallapoosa County School System (Edward Bell Elementary School)

Mobile County School System (Grand Bay Middle School)

Escambia County

Barbour County (Barbour County Primary School)

Henry County School System (Abbeville High School)

Walker County School System (Carbon Hill High School and Elementary School)

Oneonta City School System (High School)

Etowah County School System

Cullman County School System (Fairview High School, West Point High School, and Harmony Elementary School)

$258,571

$1,951,480

$259,562

$146,361

$2,805,252

$4,618,395

$487,870

$146,360

$2,732,072
f. One million one hundred fourteen thousand seventy six dollars ($1,114,076) of the proceeds derived from the sale of the Bonds to be expended from time to time on orders of the Authority for the Alabama School of Fine Arts to pay the cost of capital improvements.

g. One million twenty eight thousand one hundred twelve dollars ($1,028,112) of the proceeds derived from the sale of the Bonds to be expended from time to time on orders of the Authority for the Alabama School of Mathematics and Science to pay the cost of capital improvements.

h. Eleven million dollars ($11,000,000) of the proceeds derived from the sale of the Bonds to be expended from time to time on orders of the Authority for the purpose of providing technology funds to local school systems based upon the recommendation of the State Superintendent of Education. The State Superintendent of Education shall take into consideration technology needs of those schools that are not accredited by the Southern Association of Colleges and Schools. Such funds shall be used to pay the cost of capital improvements.

i. Eight hundred fifty nine thousand five hundred ninety four dollars ($859,594) of the proceeds derived from the sale of the Bonds to be expended from time to time on orders of the Authority for the purpose of providing funds to
the following local school systems to pay the cost of capital improvements:

3
Baldwin County School System $454,092

4
Homewood City School System $232,509

5
Hoover City School System $105,409

6
Mountain Brook City School System $67,584

(j) If the City of Saraland receives final approval from the U.S. Department of Justice and is designated a school system independent of the Mobile County School System, then the City of Saraland School System shall receive its proportionate share of any bond proceeds allotted to the Mobile County School System under Section 9 (b) (1) (a), (b), and (c) of this act.

(2) Forty eight million two hundred seven thousand five hundred dollars ($48,207,500) to be allocated and expended on behalf of the Postsecondary Education Department for Athens State University and the community, junior, and technical colleges operated under the auspices of the State Board of Education for capital improvements as follows:
a. Two hundred thousand dollars ($200,000) to be allocated and expended on behalf of each two-year college and Athens State University.

b. $21,403,750 shall be allocated and expended on behalf of the two-year colleges and Athens State University, pro rata, based on each college's share of basic Operations and Maintenance allocations for FY 2006-2007.

c. $21,403,750 shall be allocated and expended on behalf of the two-year colleges and Athens State University, pro rata, based on the proportion that each college's Fall 2006 Full-time Equivalent Student population bears to the System's total Full-time Equivalent Student population.

(3) a. $178,237,005 to be allocated and expended for capital improvements on behalf of higher education to colleges and universities as follows:

- Alabama A & M University $4,245,655
- Alabama State University $15,230,594
- University of Alabama System $79,806,297
- Auburn University System $35,546,573
- Jacksonville State University $4,575,928
- University of Montevallo $2,236,897
1 University of North Alabama $3,428,418
2 Troy University $5,999,284
3 University of South Alabama $21,331,714
4 University of West Alabama $1,835,645
5 Tuskegee University $4,000,000

b. Of the above allocation to Alabama A & M, $365,000 is designated to satisfy in full the obligation of the State under the Order entered in Knight v. Alabama and payment will be subject to the conditions for payment provided in that Order.

c. Of the above allocation to Alabama State University, $11,890,380 is designated to satisfy in full the obligation of the State under the Order entered in Knight v. Alabama and payment will be subject to the conditions for payment provided by that Order.

(4) One million dollars ($1,000,000) to be allocated and expended on behalf of the Marine Environmental Sciences Consortium, otherwise known as the Dauphin Island Sea Lab, for capital improvements.

(5) Fourteen million dollars ($14,000,000) to be allocated and expended on behalf of the Department of Youth
Services for capital improvements, including local juvenile
detention facilities.

(6) Four million five hundred thousand dollars
($4,500,000) to be allocated and expended on behalf of the
Board of Trustees of the Alabama Institute for Deaf and Blind
for capital improvements and fleet renewal at the Institute.

(7) Eleven million dollars ($11,000,000) to be
allocated and expended on behalf of the Department of
Rehabilitation Services for capital improvements.

(8) One million five hundred thousand dollars
($1,500,000) to the Alabama Historical Commission for capital
improvements.

(9) One million five hundred thousand dollars
($1,500,000) to be allocated and expended on behalf of the
Department of Archives and History for capital improvements.

(10) Twenty million dollars ($20,000,000) to be
allocated and expended for capital improvements needed in
connection with carrying out the obligations of the State to
provide training and facilities for training workers for new
and expanded industries in the State.

(11) Nine million five hundred thousand dollars
($9,500,000) to be allocated and expended for capital
improvements for the Alabama Technology Network (ATN). The
allotment of $9,500,000 shall be used for the purpose of
funding Interactive Digital Centers (IDC). Each IDC shall
support, but not be limited to, Just In Time learning,
simulation-based workforce development, distance learning, and
creation of interactive three and four dimensional objects.
Each IDC shall partner with private investment for matching
funds at a three to one ratio in order to equip the IDC. IDC
site selection shall be designated by the president of the
Alabama Technology Network.

(12) Seven million dollars ($7,000,000) to be
allocated and expended for Forensic Sciences at Auburn
University for capital improvements.

(13) Four million dollars ($4,000,000) to be
allocated and expended for Forensic Sciences at the University
of South Alabama for capital improvements.

(14) Thirty two million dollars ($32,000,000) to be
allocated and expended for the Enterprise City School System
in accordance with Act No. 2007-133.

(15) Twenty four million five hundred thousand
dollars ($24,500,000) to be allocated and expended for capital
improvements for a state trooper/corrections training
facility.

(16) $55,000,000 to be allocated to the Alabama
Public School and College Education Incentive Fund to be
expended in accordance with Section 10 of this act.

(c) The provision for the use of proceeds for the
purposes specified in Section 9(b) notwithstanding, it shall
be a permitted use of bond proceeds, not to exceed fifty
percent of the amount allocated by this act, by a recipient to
retire existing indebtedness that has been incurred by the
recipient to pay for capital improvements. However, as much as
necessary of the bond proceeds for the Marine Environmental
Sciences Consortium and the Alabama School of Mathematics and
Science may be used to retire existing indebtedness. The use
of bond proceeds for this purpose shall require specific
approval of the Authority and shall be subject to the
Authority's policies and rules governing this use.

Section 10. (a) There is hereby created the Alabama
Public School and College Education Incentive Fund (Incentive
Fund). Fifty five million dollars ($55,000,000) from the first
series of bonds issued pursuant to this act shall be deposited
into the Incentive Fund.

(b) There is hereby created the Alabama Public
School and College Education Incentive Fund Council. The
Council shall be made up of the State Superintendent of
Education; the Director of Finance; one member, who shall not
be an elected official, appointed by the Governor; the
Lieutenant Governor; the Chair of the Senate Finance and
Taxation-Education Committee; and the Chair of the House
Education Appropriations Committee. The Lieutenant Governor
and legislative members of the Council shall be entitled to
their regular per diem when attending Council meetings. The
Council created by this section shall allocate capital 
expenditures from the Alabama Public School and College 
Education Incentive Fund. Authorized expenditures from the 
Incentive Fund shall include, but not be limited to, matching 
local funds for the consolidation of schools; the advancement 
of technology; capital losses as the result of natural 
disasters; infrastructure for fast growing school systems or 
institutions; career technical facilities; public libraries; 
and capital needs to assist schools that are not accredited by 
the Southern Association of Colleges and Schools. Entities 
applying for grants from the Incentive Fund shall make 
application to members of the Council. The Council may require 
local match for certain capital projects. Upon the deposit of 
the monies into the Incentive Fund, the Council shall meet at 
least quarterly to consider grant applications. Four members 
of the Council shall constitute a quorum and four members must 
be present and vote affirmatively for the approval of any 
grant application. The Council shall hold its first meeting 
within the first quarter following the deposit of the first 
monies into the Incentive Fund. The Council shall elect a 
chairperson at the first meeting. The chairperson shall call 
subsequent meetings of the Council. If the chairperson fails 
to call a meeting at least quarterly, a meeting shall be held 
upon a written request by at least four members of the 
Council.
Section 11. Not later than three years following allocation of Bond proceeds as provided herein, the Authority shall review the status of any unexpended allocations, and, at its sole discretion, determine if unexpended allocations or any portion thereof shall revert to the Authority for reallocation by the Alabama Public School and College Education Incentive Fund Council.

Section 12. Notwithstanding any of the foregoing and in addition to all powers heretofore granted to the Authority, the Authority is hereby expressly authorized to use the proceeds derived from the sale of Bonds and income on Permitted Investments in accordance with the provisions of this act. The preparation of all plans and specifications for any building constructed wholly or in part with any of the monies realized from the sale of any of the Bonds and all work done pursuant to expenditure of the proceeds thereof in regard to the construction, reconstruction, alteration, improvement, and equipping of buildings shall be supervised by the State Building Commission, and the Authority will reimburse the Commission for its reasonable direct and administrative costs in having plans, specifications, and contract documents prepared and in supervising and inspecting the work. Additionally, the Authority is hereby expressly permitted to pay to the Department of Finance and the State Treasurer's Office, from time to time and from any funds available to the
Authority, amounts to offset costs incurred in the administration of the business of the Authority. The cost of such compensation shall be prorated among the recipients of proceeds of the Bonds in the same manner as the expenses of issuance of the Bonds are required hereby to be prorated.

Section 13. The Authority shall hire or contract with businesses or individuals which reflect the racial and ethnic diversity of the State.

Section 14. Tax Exemption. The Authority shall have the power to make such payments to the United States of America as the board of directors of the Authority deems necessary to cause the interest on any bonds of the Authority, including the Bonds, to be and remain exempt from, or excludible from gross income for purposes of, federal income taxation. The Authority shall have the power to make such agreements respecting the investment of funds of the Authority as the Authority shall deem necessary in order that the interest income on bonds of the Authority be and remain exempt from, or excludible from gross income for purposes of, federal income taxation.

Section 15. Issuance Expenses; Contracts and Appointments. The Authority is authorized to pay out of proceeds of any series of Bonds the costs and expenses incurred in connection with the issuance of such Bonds, including without limitation legal and accounting fees and
expenses, fees and expenses of any financial or fiscal advisor
employed by the Authority, printing costs, rating agency fees,
and premiums or charges for any credit enhancement or
liquidity providers. Notwithstanding any provision of this act
or the 1965 Act, in appointing, employing, or contracting with
attorneys, fiscal advisers, trustees, paying agents,
investment bankers, banks and underwriters, the Authority may
appoint, employ or contract with firms whose principal offices
are located without or within Alabama. The Authority shall
hire or contract with attorneys, fiscal advisors, trustees,
paying agents, investment bankers, banks, and underwriters
which shall reflect the racial and ethnic diversity of the
state. The Authority shall issue Requests For Proposals for
attorneys, fiscal advisors, trustees, paying agents,
investment bankers, banks, and underwriters. The Authority
shall evaluate each proposed bid publicly and award each
contract publicly. Minutes of the Authority's meeting shall
record the reasons for awarding each contract.

Section 16. Severability. In the event any section,
sentence, clause or provision of this act shall be declared
invalid by a court of competent jurisdiction, such action
shall not affect the validity of the remaining sections,
sentences, clauses, or provisions of this act, which shall
continue effective.
Section 17. Effective Date. This act shall become effective immediately upon its passage and approval by the Governor or upon its otherwise becoming a law.
Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives
I hereby certify that the within Act originated in
and was passed by the House 22-MAY-07, as amended.

Greg Pappas
Clerk

Senate  31-MAY-07  Amended and Passed
House  31-MAY-07  Concurred in Senate Amendment

APPROVED  June 13, 2007
TIME  1:33 p.m.

Gov. ROB RILEY

Alabama Secretary Of State
Act Num....: 2007-415
Bill Num....: H-21

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