



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Education
& Early Development

OFFICE OF THE COMMISSIONER

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March 29, 2019

Charlie Pierce, Mayor
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669

Dear Mayor Pierce,

This responds to your March 22, 2019 letter requesting an extension for providing the recipient's participating share under AS 14.11.008 for state grant funds provided for the Kachemak Selo New K-12 School Construction project. Under the provisions enacted under HB 135 (SLA18), the recipient's participating share is required within three years after the date that the appropriation bill funding the grant is passed by the legislature except that the commissioner may extend the time for good cause for an additional period of not more than seven years.

After reviewing your request against the stipulations of good cause identified in statute, I am approving an extension of two years. The new date for providing your participating share for the FY17 grant of \$10,010,000 is June 29, 2021.

Your request was for the full seven-year extension period. I was not able to find good-cause support for the seven year extension. Two provisions of good cause are 1) that the extension will not jeopardize the successful completion of the project, and 2) that the extension would not result in an increase of state funding of the project cost. While it is reasonable to forecast that adjustments to the project could be made to account for possible cost increases for a project fully funded in June 2021, there is no reasonable assurance this strategy will hold beyond that timeframe. A reassessment of the project's viability within the funds appropriated will be needed at that time, should the participating share requirement still not have been met.

Respectfully,

A handwritten signature in blue ink, appearing to read "Michael Johnson".

Dr. Michael Johnson
Commissioner

cc: Sean Dusek, KPBSD Superintendent
Brenda Ahlberg, KPB Community & Fiscal Projects Manager
Kevin Lyon, KPB Project Manager