

Presented by: The Manager  
Introduced: 11/07/2016  
Drafted by: A. G. Mead

## RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2775

### **A Resolution In Support of Full Funding from the State of Alaska for the School Bond Debt Reimbursement and State Aid for Construction in Regional Education Attendance Areas.**

WHEREAS, the State of Alaska has a constitutional responsibility to “maintain a system of public schools” under Article VII, section 1 of the Alaska Constitution; and

WHEREAS, since 1970 the State of Alaska has encouraged municipalities to bond for school major maintenance projects by reimbursing municipalities with bonding authority for principal and interest payments; and

WHEREAS, the Alaska Legislature has for decades provided major maintenance for rural Regional Educational Attendance Area schools through appropriations in the annual capital budget; and

WHEREAS, between 2006 and 2015, the Alaska Legislature determined that school projects which passed the Department of Education & Early Development’s criteria and were approved by local voters would receive 70 percent debt reimbursement, and those that did not meet the department’s criteria would receive 60 percent reimbursement; and

WHEREAS, since 2010 the Alaska Legislature provided consistent funding parity for rural schools’ major maintenance needs by automatically funding major maintenance projects in areas without the ability to bond with a percentage of the school bond debt reimbursement funding; and

WHEREAS, relying on these programs and the State of Alaska’s commitment to fund its moral and constitutional obligations, Alaska municipalities have maintained schools for the education of our state’s most precious resource, our children; and

WHEREAS, Alaska municipalities issued bonds relying in good faith on the State of Alaska to live up to its financial commitments to education; and

WHEREAS, in 2015 the Alaska Legislature responded to a difficult fiscal situation by placing a five-year moratorium on any new projects being eligible for school bond debt reimbursement, thus giving municipalities and voters across the state notice that bonds sold within the five-year period would be the sole responsibility of local taxpayers; and

WHEREAS, the City and Borough of Juneau, in an effort to mitigate deterioration of school facilities during the capital funding moratorium, immediately began allocating \$600,000 of local tax revenues to provide funding for major deferred maintenance school projects; and

WHEREAS, in 2016 the Alaska Legislature recognized the State responsibility to honor past project funding and appropriated funds to the municipalities for school debt reimbursement; and

WHEREAS, in 2016 Governor Bill Walker, in trying to address the budget deficit, cut twenty-five percent of the funding for both municipal and rural schools from appropriation bills using his line-item reduction power; and

WHEREAS, these reductions 'saved' the State of Alaska \$40,703,819 out of an estimated \$3.4 billion deficit, or 1.2 percent, by shifting costs to local municipalities and by leaving badly needed rural projects unfunded; and

WHEREAS, the City and Borough of Juneau lost \$3,075,566 as a result of the line-item reduction, or approximately 13 percent of its total budget and emergency reserve accounts; and

WHEREAS, Alaska municipalities do not have the fiscal resources to close the State's revenue gap; and

WHEREAS, the State of Alaska should not reach a long-term solution to its revenue problems by ignoring its constitutional obligation to public education.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The City and Borough of Juneau calls on Governor Bill Walker to fully fund the FY18 and future State of Alaska moral and constitutional obligation to public schools through both school bond debt reimbursement and state aid for construction in Regional Education Attendance Areas in his budget submittal to the Alaska State Legislature.

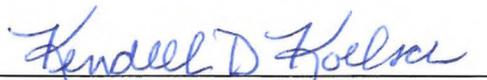
**Section 2.** The City and Borough of Juneau calls on the Alaska Legislature to continue its practice of fully funding these moral and constitutional obligations to public schools as it has in the past.

**Section 3.** The City and Borough of Juneau calls on fellow municipalities and the Alaska Municipal League to join in its support for funding school bond debt reimbursement and the State's new construction and major maintenance obligations.

**Section 4.** The City and Borough of Juneau calls on Governor Bill Walker and the Alaska Legislature to adopt an FY17 budget supplemental that reinstates full funding for this year's school debt reimbursement payments.

**Section 5. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this 7<sup>th</sup> day of November, 2016.

  
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Kendell D. Koelsch, Mayor

Attest:

  
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Laurie J. Sica, Municipal Clerk