Adopted: 01/10/17

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 17-006

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING 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 State 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 State Legislature for decades, has provided major maintenance for rural Regional Educational Attendance Area schools through appropriations in the annual capital budget; and

WHEREAS, between 2006 and 2015, the Legislature determined that school projects which passed the Alaska State Department of Education and 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 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's commitment to fund its moral and constitutional obligations, 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 to live up to its financial commitments to education; and

WHEREAS, in 2015 the 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, in 2016 the Legislature recognized the State's 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 25 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 $3,000,000,000 deficit, or 1.2 percent, by shifting costs to local municipalities and by leaving badly needed rural projects unfunded; and

WHEREAS, the Borough lost $5,692,185 as a result of the line-item reduction; and

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Assembly:

- hereby supports full funding from the state of Alaska for the school bond debt reimbursement and state aid for construction in regional education attendance areas; and
- calls on Governor Bill Walker to fully fund the fiscal year 2018 budget 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 Legislature; and

- 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; and
- 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; and
- calls on Governor Bill Walker and the Alaska Legislature to adopt a Fiscal Year 2017 budget supplement that reinstates full funding for this year's school debt reimbursement payments.

ADOPTED by the Matanuska-Susitna Borough Assembly this 10 day of January, 2017.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Sykes, McKee, Colligan, Mayfield, Doty, and Kowalke