

**Municipal Clerk's Office**  
**Amended and Approved**  
**Date: January 27, 2026**

Submitted by: Mayor LaFrance and Vice Chair  
Brawley and Assembly Members  
Baldwin Day and Rivera  
Prepared by: Dept. of Law, Chief Admin. Officer  
Reviewed by: Office of Assembly Counsel  
For reading: January 13, 2026

**ANCHORAGE, ALASKA**  
**AO No. 2026-14, As Amended**

1     **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROVIDING**  
2     **FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY**  
3     **OF ANCHORAGE AT THE REGULAR ELECTION TO BE HELD ON APRIL 7,**  
4     **2026, THE QUESTION OF WHETHER TO APPROVE A SPECIAL TAX LEVY FOR**  
5     **2026 ONLY DEDICATED TO PAYMENT OF OPERATIONAL EXPENSES TO**  
6     **THE ANCHORAGE SCHOOL DISTRICT.**

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8     **WHEREAS**, the Municipality of Anchorage has historically endeavored to contribute  
9     the maximum amount permitted under state law to operate its public schools,  
10    beyond the floor set by the State as a school district's "basic need"; and

11  
12    **WHEREAS**, the State of Alaska is projected to spend \$16 million fewer dollars for  
13    Anchorage School District for the 2026-2027 school year compared to the current  
14    school year, of which \$11.2 million is due to cost shifting to the Municipality through  
15    the Required Local Contribution; and

16  
17    **WHEREAS**, State law will require Anchorage to replace state funding by  
18    contributing more local funding toward the Anchorage School District's basic need,  
19    without resulting in a net increase of funding to the School District; and

20  
21    **WHEREAS**, the State will require that Anchorage pay \$138.9 million towards the  
22    school district's basic need in the 2026-2027 school year compared to \$127.7 million  
23    in this school year, an increase of \$11.2 million; and

24  
25    **WHEREAS**, the increase in Anchorage's required local contribution to the school  
26    district's basic need has risen faster than its tax-cap constrained revenue because  
27    the required local contribution is based solely on property valuation (which, in the  
28    municipality, has increased faster than inflation), whereas the tax increase limitation  
29    is calculated based on inflation and population growth, as required by Anchorage  
30    Municipal Charter 14.03; and

31  
32    **WHEREAS**, the Anchorage School District projects an approximately \$83 million  
33    budget shortfall for the 2026-2027 school year; and

34  
35    **WHEREAS**, the State law allows the Municipality to contribute additional funding  
36    beyond basic need, but caps the amount; and

37  
38    **WHEREAS**, the State cap on additional allowed funding has increased in recent  
39    years to \$108.1 million, in a manner that has outpaced the Municipality's tax cap-  
40    constrained revenue collection; and

41

1 **WHEREAS**, this request is for a one-time levy calculated to collect up to \$11.8  
2 million which would support funding the Anchorage School District to the maximum  
3 amount permitted by state law for this year; and

4  
5 **WHEREAS**, it is anticipated that this one-time levy, if approved by voters, will be a  
6 stopgap measure to alleviate some of the budget shortfall faced by the Anchorage  
7 School District; and[now, therefore.]

8  
9 **WHEREAS, the Assembly recognizes that parents and teachers are**  
10 **concerned with growing teacher-to-student ratios and therefore it is the intent**  
11 **of the Assembly that this one-time levy, if approved by voters, will contribute**  
12 **to better educational outcomes and higher teacher retention through**  
13 **decreasing class sizes; now, therefore,**

14  
15 **THE ANCHORAGE ASSEMBLY ORDAINS:**

16  
17 **Section 1. Ballot Proposition.** The Assembly hereby submits to the qualified voters  
18 of the Municipality of Anchorage, at the regular municipal election to be held on April  
19 7, 2026, the proposition of whether or not the Municipality should levy a special tax  
20 to collect not to exceed \$11.8 million, dedicated to pay operational expenses for the  
21 Anchorage School District. This is a special tax as described in Anchorage  
22 Municipal Charter section 14.03(b)(3) and excluded from the tax increase limitation  
23 (Tax Cap).

24  
25 The Municipal Clerk shall prepare the ballot proposition to be submitted to  
26 the qualified voters as provided by this ordinance and the Anchorage Municipal  
27 Code and shall perform all necessary steps in accordance with law to place this  
28 proposition before the voters at the regular election. The proposition must receive a  
29 majority vote of those voting on the question to be approved. The proposition shall  
30 be substantially in the following form:

31  
32 PROPOSITION NO. \_\_\_\_

33  
34 **ANCHORAGE SCHOOL DISTRICT OPERATIONAL COSTS SPECIAL**  
35 **PROPERTY TAX LEVY – 2026 ONLY**

36  
37 For the purpose of enabling the Municipality to make  
38 the maximum contribution allowed by state law to the  
39 operating expenses of the Anchorage School District,  
40 to fund teacher positions and student programming,  
41 shall Anchorage levy a one-time special **property** tax  
42 **in 2026** to collect an amount not to exceed \$11.8  
43 million, dedicated solely to those purposes?

44  
45 Voter approval of this proposition authorizes for each  
46 \$100,000 of assessed property value in the  
47 Municipality of Anchorage (based on the estimated  
48 total 2026 assessed valuation **of all taxable real and**  
49 **personal property** in the Municipality) an increase in  
50 taxes not to exceed \$27.40.

The tax shall be levied and collected only in 2026 from taxable real and personal property areawide within the Municipality.

YES

NO

**Section 2.** This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 27th day of January, 2026.

**ATTEST:**

## Chair

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## Municipal Clerk

Janie L. Tum



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 39-2026

Meeting Date: January 13, 2026

1 **From:** MAYOR LAFRANCE AND ASSEMBLY VICE-CHAIR BRAWLEY  
2 AND ASSEMBLY MEMBERS BALDWIN DAY AND RIVERA

3  
4 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE  
5 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE  
6 AT THE REGULAR ELECTION TO BE HELD IN THE  
7 MUNICIPALITY ON APRIL 7, 2026, THE QUESTION OF  
8 WHETHER TO APPROVE A SPECIAL TAX LEVY DEDICATED TO  
9 PAYMENT OF OPERATIONAL EXPENSES TO THE  
10 ANCHORAGE SCHOOL DISTRICT.

11  
12  
13 The Anchorage School District is experiencing a shortfall of approximately \$83  
14 million as it prepares its budget for the 2026-2027 school year, and the Municipality  
15 is permitted under state law to fill approximately \$12 million of that gap if it wishes  
16 to find additional revenue to do so beyond what is currently in the projected ASD  
17 budget. This Ordinance proposes putting to the voters of the Municipality of  
18 Anchorage the question of whether they wish to maximize local funding of public  
19 schools with an areawide special one-time tax levy.

20  
21 The amount of money that the Anchorage School District receives is mostly  
22 dictated by the State, which controls the funding formula, sets the floor of school  
23 funding that any school district in Alaska should receive (which is called a school  
24 district's "basic need"), dictates the required local contribution that Anchorage must  
25 pay towards its schools, and also caps the additional voluntary contribution that  
26 Anchorage is permitted to contribute to its schools. Historically Anchorage  
27 lawmakers have endeavored to contribute the maximum amount permitted by state  
28 law. This year, due to the convergence of different funding and taxing formulas  
29 that operate independently of each other, Anchorage is budgeting approximately  
30 12 million less for ASD than the state-allowed local contribution maximum.

31  
32 In summary, the \$12 million that Anchorage is beneath the local contribution cap  
33 is due to:

34 (1) an \$11.2 million increase compared to last year in the state-required  
35 local school contribution, replacing state education dollars,  
36 (2) which outpaces by \$1.5 million the increase in revenue that ASD was  
37 budgeted to have, \$9.7 million, based on its historical share of increased  
38 tax revenue (which is limited by the tax cap, Charter § 14.03), and  
39 (3) an increase in the amount that Anchorage is permitted to voluntarily  
40 contribute to schools due to the legislature increasing by \$700 the dollar  
41 figure for the base student allocation.

1  
2  
3 For this budget cycle the Municipality's mandatory local contribution increased  
4 \$11.2 million, to the benefit of the state. Under AS 14.17.410(b)(2), "the required  
5 local contribution of a city or borough school district is the equivalent of a 2.65 mill  
6 tax levy on the full and true value of the taxable real and personal property in the  
7 district." (The statute also limits required local contribution at 45% of basic need—  
8 but Anchorage does not approach this limit, so the 2.65 mill rate is the relevant  
9 figure.) For the current school year (budgeted last year), the Municipality was  
10 required to pay \$127.7 million as a required local contribution to fund the school  
11 district's basic need. For the 2026-27 school year, the State has calculated the  
12 Municipality's required contribution at \$138.9 million, an increase of \$11.2 million.  
13

14 Importantly, state aid under the formula is reduced dollar for dollar as Anchorage's  
15 required local contribution goes up. As Anchorage's total property value increases,  
16 the state statutory mandate for the Municipality's required share of education costs  
17 goes up whether or not the Municipality's local taxes have increased by the same  
18 dollar figure. Because the required local contribution is a steady mill rate tied to  
19 overall property value, and the Municipality's overall property values have gone up  
20 at a faster rate than Anchorage's property tax revenue has increased based on the  
21 tax-cap limited taxes the Municipality collects (calculated on population growth and  
22 rate of inflation). In other words, in a year like the last several where Anchorage's  
23 increased tax revenue is behind the pace of increase in overall property value (and  
24 the overall taxation mill rate goes down) the mandatory education funding mill rate  
25 has held steady and thus becomes a relatively bigger percentage of the pie that  
26 the Municipality collects, all without resulting in any additional dollars for  
27 Anchorage schools because the State reduces its contribution of state aid by the  
28 amount that Anchorage's required contribution increases. The state benefits from  
29 that reduction in its aid amount.  
30

31 **The Municipality's tax collection did not increase by the same rate as the rate**  
32 **of increase in the required contribution, creating a \$1.5 million shortfall on**  
33 **the ASD side of the ledger:** This year, the Municipality's required local  
34 contribution went up \$11.2 million due to increased property values, but ASD's  
35 "share," if it were the same percentage of tax revenues as the prior year, of the  
36 increased revenue available in the budget only increased by \$9.7 million.  
37

38 **Finally, the cap on Anchorage's voluntary contribution to schools has**  
39 **increased with rising school formula funding.** The state cap on voluntary local  
40 contributions is the final factor in local education funding. This is money that  
41 Anchorage can choose to spend on its schools and (unlike the required  
42 contribution) the voluntary contribution does not reduce the amount of state aid the  
43 Municipality receives. The amount that a Municipality may spend as a voluntary  
44 contribution is capped by state law at AS 14.17.410(c). The amount the  
45 Municipality can voluntarily spend increases when school funding overall  
46 increases (as it did last year) because it is defined as a percentage based on that  
47 funding (the Municipality can contribute up to 23% of Anchorage's state formula-  
48 determined "basic need" amount).  
49

50 The Municipality has historically budgeted the maximum permitted by state law on  
51 school funding (or as best as can be budgeted given the changing numbers

1 because the maximum voluntary local contribution is dependent on state formula  
2 funding which often isn't known at the time the budget is made). But the currently  
3 planned 2026-2027 school year budget does not fund Anchorage schools to the  
4 cap. The current budget provides \$96 million in additional local contributions. But  
5 the State-defined additional local contribution maximum for Anchorage this budget  
6 cycle is around \$108.3 million, or about \$12 million more than is currently provided.  
7

8 The proposed one-time levy, if approved by voters, would be dedicated to  
9 operational costs at the Anchorage School District. The superintendent and  
10 Anchorage School Board have committed to target reducing the expected  
11 increases in class sizes and preserving student programming that would otherwise  
12 be subject to cuts. This proposed special tax levy would support the Municipality's  
13 ability to fund the Anchorage School District to the maximum amount permitted by  
14 state law for the coming year.

15 **THE SPONSORS RECOMMEND APPROVAL.**

16  
17 Prepared by: William D. Falsey, Chief Administrative Officer and  
18 Kathryn R. Vogel, Senior Counsel to the Municipality  
19  
20 Reviewed by: Office of Assembly Counsel  
21 Concur: Ona R. Brause, Director, Office of Management and  
22 Budget  
23 Concur: Eva Gardner, Municipal Attorney  
24 Concur: Philippe D. Brice, CFO  
25 Concur: Rebecca A. Windt Pearson, Municipal Manager  
26 Respectfully submitted: Suzanne LaFrance, Mayor  
27 Anna Brawley, Assembly Vice Chair  
28 Erin Baldwin Day, Assembly Member  
29 Felix Rivera, Assembly Member

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2026-14

Title: **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE AT THE REGULAR ELECTION TO BE HELD ON APRIL 7, 2026, THE QUESTION OF WHETHER TO APPROVE A SPECIAL TAX LEVY FOR 2026 ONLY DEDICATED TO PAYMENT OF OPERATIONAL EXPENSES TO THE ANCHORAGE SCHOOL DISTRICT.**

Sponsor: **Mayor LaFrance and Vice Chair Brawley and Assembly Members Baldwin Day and Rivera**  
 Preparing Agency: Chief Administrative Office, Department of Law  
 Others Impacted:

<b>CHANGES IN EXPENDITURES AND REVENUES:</b>		<b>(In millions of Dollars)</b>			
		<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
<b>Operating Expenditures</b>					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions		11.8			
4000 Debt Service					
<b>TOTAL DIRECT COSTS:</b>		<b>11.8</b>	\$ -	\$ -	\$ -
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
<b>FUNCTION COST:</b>		<b>11.8</b>	\$ -	\$ -	\$ -
<b>REVENUES:</b>		<b>\$ 11.8</b>	\$ -	\$ -	\$ -
<b>CAPITAL:</b>					
<b>POSITIONS: FT/PT and Temp</b>					

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The proposed one-time calendar year 2026 levy is designed to generate \$11.8 million, which would support funding the Anchorage School District to the maximum amount permitted by state law for this year. Revenues will be used to fund teacher positions and student programming. ASD has reported that \$11m equates to approximately 90 teacher positions, which would reduce class sizes by approximately 2 students. General Government Treasury collects ASD property-tax revenues and transfers them to ASD.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Voter approval of the proposition authorizes for each \$100,000 of assessed property value in the Municipality of Anchorage (based on the estimated total 2026 assessed valuation in the Municipality) an increase in taxes of approximately \$27.40.

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Prepared by: *Chief Administrative Officer* Telephone: 9073434496