

Submitted by: Assembly Chair Croft, Assembly  
Member Dunbar and Assembly  
Member Quinn-Davidson  
Prepared by: Office of the Mayor  
For reading: March 19, 2019

**ANCHORAGE, ALASKA**  
**AR No. 2019-105**

**A RESOLUTION OPPOSING GOVERNOR DUNLEAVY'S PROPOSED FY2020  
BUDGET.**

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Whereas, during the 2018 campaign then-candidate Mike Dunleavy repeatedly stated he did not intend to make significant cuts to government services, including specific promises not to cut rural schools or Medicaid services while speaking at the Alaska Federation of Natives conference, specific promises not to cut the Marine Highway System while speaking in Southeast Alaska, specific promise not to cut Pioneer Homes or the University of Alaska during two separate televised debate, and repeated assertions savings could be found through "efficiencies," or the elimination of 2000 supposedly funding but unfilled state positions; and

Whereas, the budget cannot be considered without a thorough understanding of the human and economic impacts, yet the Dunleavy administration has provided little policy analysis to support proposed cuts; and

Whereas, the budget proposal would do significant damage to the economies of Anchorage and the state, and result in a prolonged statewide recession, reduced investment, outmigration, and estimated job losses in the public and private sector in the order of tens of thousands; and

Whereas, because the Dunleavy administration has not justified the proposed budget with an economic or policy analysis, the proposed budget has already created a level of uncertainty that will cost the state millions of dollars of private investment, even if the budget does not pass in its current form; and

Whereas, the Anchorage Assembly recognizes that Anchorage thrives when the entire state thrives, and that much of the wealth that flows into the municipality comes from the resources throughout rural Alaska; and

Whereas, the Anchorage Assembly believes that Alaskans benefit when the State works collaboratively with Municipalities, Boroughs, and Tribes because local governments are closest to the people; and

Whereas, the Dunleavy administration did not consult or work with local governments in preparing the proposed budget, and

Whereas, credit rating agencies have warned that the proposed budget would have negative credit implications for municipalities, and cause some localities to default on their bonds or enact significant tax hikes; and

1 Whereas, the proposed budget would result in increased costs to the Municipality of  
2 Anchorage and the Anchorage School District, including a transfer of \$2,600,000  
3 from the Municipality to the State under Governor Dunleavy's plan to repeal a  
4 municipality's ability to tax oil and gas properties within its jurisdiction; and

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6 Whereas, the proposed budget calls for a \$107 million cut to Anchorage School  
7 District's operating budget, and an additional \$41 million cut to the State's share of  
8 bond debt for previous school construction major maintenance, resulting in a cut to  
9 Anchorage schools that is greater than cumulative salaries of every elementary  
10 school teacher in the district; and

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12 Whereas, according to analysis from the Anchorage School District, the proposed  
13 budget would force schools to increase every class size by ten students, resulting in  
14 kindergarten classes of 31 students and high school classrooms of 40 students; and

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16 Whereas, the University of Alaska plays a critical role in producing a knowledgeable  
17 and prepared workforce, and the proposed reduction of \$134 million to the University  
18 of Alaska jeopardizes the very existence of the University of Alaska Anchorage; and

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20 Whereas, by eliminating state matching funds for a variety of health services, the  
21 proposed budget would cripple the Municipality of Anchorage's ability to continue  
22 making progress addressing public safety, community health, and homelessness,  
23 including:

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- 25 • 800 more vulnerable and homeless individuals who will no longer receive  
26 services from community partners, including more than 100 vulnerable youth  
27 who will no longer be able receive services from the Covenant House, and  
28 more than 200 fewer women and children who will be able to seek shelter  
29 from AWAIC (Abused Women's Aid in Crisis) due to the proposed \$826,231  
30 cut to the Human Services Community Matching Grants– and that assumes  
31 the Municipality will be able to maintain its current level of funding;
  - 32 • A \$400,000 cut to public health nursing;
  - 33 • The elimination of the Alaska Domestic Violence and Sexual Assault  
34 Intervention Program;
  - 35 • A proposed cut of \$714,000,000 to Medicaid (including the forgone federal  
36 match), which would restrict access to behavior health and drug treatment;  
37 and

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39 Whereas, by eliminating services that benefit children and vulnerable populations, the  
40 proposed cuts may ultimately increase future State costs, as individuals who didn't  
41 receive preventative care end up in emergency rooms; those who do not receive  
42 behavioral health treatment end up in the criminal justice system; and individuals who  
43 didn't receive an adequate education end up on public assistance; and

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45 Whereas, the proposed budget does nothing to address the State's central financial  
46 challenge: as long as State revenues depend primarily on a volatile commodity, the  
47 State will remain unable to reliably and predictably fund essential government  
48 services; and

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50 Whereas, by drawing down existing budget reserves such as the Statutory Budget

1 Reserve, the Power Cost Equalization Fund, and the Higher Education Endowment,  
2 the proposed budget does not offer a long-term solution to Alaska’s budget  
3 challenges.

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5 **NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:**

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7 **Section 1:** The Anchorage Assembly opposes the Governor’s FY2020 budget as  
8 currently proposed, and urges the Governor to adopt a more collaborative and  
9 transparent process moving forward; and

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11 **Section 2:** The Anchorage Assembly calls upon the Alaska Legislature and Governor  
12 to produce a balanced budget that minimizes negative consequences to Alaska  
13 residents, and prioritizes the long-term health of the State over short-term political  
14 calculations; and

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16 **Section 3:** The Anchorage Assembly requests that instead of raising revenues by  
17 shifting costs to local governments, the Alaska Legislature and Governor increase  
18 State revenues through some combination of a broad-based tax, a reduction in oil tax  
19 credits, utilizing earnings from the Permanent Fund, and/or through other means of  
20 diversifying revenue; and

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22 **Section 4:** The Anchorage Assembly urges the Legislature and Governor to only  
23 enact budget cuts that are backed up with an analysis of the cut’s economic and  
24 social impact on Alaska residents.

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27 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of  
28 \_\_\_\_\_, 2019.

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32 \_\_\_\_\_  
33 Chair

34 ATTEST:

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37 \_\_\_\_\_  
38 Municipal Clerk