

**ANCHORAGE, ALASKA**  
**AR No. 2020-\_\_\_\_\_**

1 **A JOINT RESOLUTION OF THE ANCHORAGE ASSEMBLY AND THE**  
2 **MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN FAVOR OF THE STATE OF**  
3 **ALASKA FULLY FUNDING SCHOOL BOND DEBT REIMBURSEMENT.**  
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5  
6 **WHEREAS**, the state of Alaska has a constitutional responsibility to "maintain a  
7 system of public schools" under Article VII, 1 of the Alaska State Constitution; and  
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9 **WHEREAS**, since 1970 the state of Alaska has encouraged municipalities to bond  
10 for school major maintenance projects by reimbursing municipalities with bonding  
11 authority for principal and interest payments; and  
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13 **WHEREAS**, between 2006 and 2015, the Legislature determined that school  
14 projects which passed the Alaska State Department of Education and Early  
15 Development's criteria and were approved by local voters would receive 70 percent  
16 debt reimbursement, and those that did not meet the department's criteria would  
17 receive 60 percent reimbursement; and  
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19 **WHEREAS**, relying on the state 's commitment to fund its moral and constitutional  
20 obligations, the Matanuska-Susitna Borough and the Municipality of Anchorage  
21 have maintained schools for the education of our state's most precious resource,  
22 our children; and  
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24 **WHEREAS**, the Municipality of Anchorage and the Matanuska-Susitna Borough  
25 issued bonds relying in good faith on the state to live up to its financial commitments  
26 to education; and  
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28 **WHEREAS**, in 2015 the Legislature responded to a difficult fiscal situation by  
29 placing a five-year moratorium on any new projects being eligible for school bond  
30 debt reimbursement, thus giving municipalities and voters across the state notice  
31 that bonds sold within the five-year period would be the sole responsibility of local  
32 taxpayers; and  
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34 **WHEREAS**, in 2016 the Legislature recognized the state's responsibility to honor  
35 past project funding and appropriated funds to the municipalities for school debt  
36 reimbursement; and  
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38 **WHEREAS**, in 2016 then Governor Bill Walker, in trying to address the budget  
39 deficit, cut 25 percent of the funding for both municipal and rural schools from  
40 appropriation bills using his line-item reduction power; and  
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42 **WHEREAS**, these reductions saved the state of Alaska \$40,703,819 out of an  
43 estimated \$3,000,000,000 deficit, or 1.2 percent, by shifting costs to local

1 municipalities and by leaving badly needed rural projects unfunded; and

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3 **WHEREAS**, the Matanuska-Susitna Borough lost \$5,692,185 as a result of the line-  
4 item reduction; and

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6 **WHEREAS**, the Municipality of Anchorage lost approximately \$11 Million as a result  
7 of the line-item reduction; and

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9 **WHEREAS**, in 2020 the Matanuska-Susitna Borough lost approximately \$16  
10 Million in state revenues, largely the school bond debt reimbursement funds, which  
11 equate to 20% of our current area-wide property tax in a single year; and

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13 **WHEREAS**, in 2020 the Municipality of Anchorage lost approximately \$20.5 Million  
14 in state revenues; and

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16 **WHEREAS**, Alaska municipalities do not have the fiscal resources to close the  
17 state's revenue gap; and

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19 **WHEREAS**, state should not reach a long-term solution to its revenue problems by  
20 ignoring its constitutional obligation to public education;

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22 **NOW, THEREFORE, BE IT RESOLVED**, the Anchorage Assembly and the  
23 Matanuska-Susitna Borough Assembly:

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- 25 • hereby support full funding from the state of Alaska for the school bond debt
- 26 reimbursement; and
- 27 • call on Governor Mike Dunleavy to fully fund the fiscal year 2022 budget and
- 28 future state of Alaska moral and constitutional obligation to public schools
- 29 through school bond debt reimbursement in his budget submittal to the
- 30 Legislature; and
- 31 • call on the Alaska Legislature to continue its practice of fully funding these
- 32 moral and constitutional obligations to public schools; and
- 33 • call on Governor Mike Dunleavy and the Alaska Legislature to adopt a Fiscal
- 34 Year 2022 budget that reinstates full funding for this year's school debt
- 35 reimbursement payments.

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37 **PASSED AND APPROVED** by the Anchorage Assembly this \_\_\_\_\_ day  
38 of \_\_\_\_\_, 2020.

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41 \_\_\_\_\_  
Chair of the Assembly

42 **ATTEST:**

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45 \_\_\_\_\_  
46 Municipal Clerk  
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